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**Commission on Narcotic Drugs**  
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**Administrative and budgetary questions**

**Commission on Crime**  
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Agenda item 7  
**Policy directives for the crime programme of the**  
**United Nations Office on Drugs and Crime and the**  
**role of the Commission on Crime Prevention and**  
**Criminal Justice as its governing body, including**  
**administrative, strategic management and budgetary**  
**questions and follow-up on resolutions**

### **Consolidated budget for the biennium 2010-2011 for the** **United Nations Office on Drugs and Crime**

#### **Report of the Advisory Committee on Administrative and** **Budgetary Questions**

#### **I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director on the consolidated budget for the biennium 2010-2011 for the United Nations Office on Drugs and Crime (UNODC) (E/CN.7/2009/13–E/CN.15/2009/23). During its consideration of the report, the Advisory Committee met with the Executive Director.

2. The consolidated budget for the biennium 2010-2011 for UNODC is to be submitted to the Commission on Narcotic Drugs and, pursuant to section XI, paragraph 1, of General Assembly resolution 61/252, to the Commission on Crime Prevention and Criminal Justice. In section XI, paragraph 2, of that resolution, the Assembly requested the Advisory Committee to submit its comments and recommendations on the biennial consolidated budget for UNODC to the Commission on Crime Prevention and Criminal Justice. The Committee notes from paragraph 3 of the report that the Secretary-General's strategic framework for the period 2010-2011 identifies drug control, crime prevention and combating



international terrorism in all its forms and manifestations as one of the eight priorities of the United Nations for that period.<sup>1</sup>

## II. Format and presentation

3. The consolidated budget for the biennium 2010-2011 for UNODC is presented for the second time in a results-based format. As was the case with the consolidated budget for the biennium 2008-2009, the Office continues to align its strategy with the strategic framework of the United Nations, including harmonization of the expected accomplishments and indicators of achievement with the three subprogrammes of programme 13. The consolidated budget for the biennium 2010-2011 for UNODC is harmonized with sections 16 and 28F of the proposed programme budget for the United Nations for the same period (A/64/6). The Advisory Committee notes the efforts and improvements made with respect to the presentation of the results-based framework. At the same time, it considers that the formulation of certain outputs could be better defined and quantified. For example, the outputs under paragraphs 31 (a), "Effective management of UNODC", and 31 (b), "Implementation of the mandates of UNODC", appear to be indistinguishable from objectives or expected accomplishments. **The Committee encourages UNODC to continue to develop and further refine the elements of its results-based framework. The Committee is of the view that a better layout of the report, with appropriate subheadings, would improve transparency and facilitate the identification of priorities. The Committee requests that further efforts be made to provide a more reader-friendly document in future submissions of the consolidated budget for UNODC.**

## III. Consolidated income projections

4. As indicated in paragraph 13 of the report, while the greatest possible conceptual and operational integration of the drug and crime programmes is sought, voluntary contributions are budgeted and accounted for separately under the Fund of the United Nations International Drug Control Programme (UNDCP) and the United Nations Crime Prevention and Criminal Justice Fund. The financial position of the two funds is presented in section VII of the report and is summarized in tables 20 and 21. The Advisory Committee notes that the resource requirements for general-purpose expenditure and programme support costs for the two funds have been combined in the presentation for the biennium 2010-2011 (see paragraph 18 of the report and paragraph 15 below).

5. A summary of the resource projections for the bienniums 2008-2009 and 2010-2011 is provided in table 1 of the report. The total resources projected for the biennium 2010-2011 for UNODC amount to \$507,957,800, which is less than the \$546,735,400 estimated for the biennium 2008-2009. Of that total, the combined projections for the UNDCP Fund and the United Nations Crime Prevention and Criminal Justice Fund, excluding the regular budget portion, are estimated at \$425,652,700. The remaining \$82,305,100 is included in the proposed programme

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<sup>1</sup> *Official Records of the General Assembly, Sixty-third Session, Supplement No. 6 (A/63/6/Rev.1); and A/64/74.*

budget for the biennium 2010-2011 (A/64/6), under sections 1, 16, 22 and 28F. The Advisory Committee was provided with information on the distribution of UNODC resources between headquarters and the field. For the biennium 2010-2011, 64.5 per cent of the projected resources will be expended at field offices and 35.5 per cent at UNODC headquarters, compared with a distribution of 60 per cent and 40 per cent, respectively, for the current biennium and 55 per cent and 45 per cent, respectively, for the biennium 2006-2007. **The Committee welcomes this trend, which reflects an increased focus on activities in the field.**

6. The Advisory Committee notes that UNODC is facing a difficult financial situation, which is partially due to the ongoing global financial crisis. As indicated in paragraphs 20 and 21 of the report, the programme experienced a sharp decline in general-purpose income in 2009, and that trend is expected to continue. The projected general-purpose resources for 2010-2011 amount to \$21,759,000, reflecting a decrease of 28 per cent compared with the expected expenditure of \$30,129,000 for 2008-2009. The Committee notes that cost-saving measures were implemented in 2009 in an effort to reduce general-purpose expenditures, including the abolition of 29 posts and reductions under a variety of objects of expenditure such as travel, consultancies, training, operating expenses and contractual services. These measures are to be continued in 2010-2011.

7. Programme support cost funds would remain stable, with expected resources of \$27,773,800 in 2010-2011, compared with \$27,347,400 in 2008-2009 (see table 1 of the report). The Advisory Committee notes from paragraph 14 of the report that approximately two thirds of programme support cost revenue will be allocated to operations (the Division for Operations and UNODC field offices) and one third to the Division for Management.

8. Details of the proposed programme of work funded from special-purpose contributions are provided in annex I of the report; the table contained in that annex provides a breakdown of the programme of work by region and by theme. The Advisory Committee notes from paragraph 22 of the report that total special-purpose expenditure is projected to decrease by some \$31.9 million (7.8 per cent), from \$408,007,100 in 2008-2009 to \$376,119,900 in 2010-2011.

9. The Advisory Committee notes from tables 20 and 21 of the report, which summarize the financial positions of the drug and crime programme funds, that the projected special-purpose income of the two funds would not cover their respective planned programme implementation expenditures in 2010-2011. Accordingly, the balance of the special-purpose funds of the UNDCP Fund would decrease from \$162.6 million at the start of the biennium 2010-2011 to \$117.7 million at the end of the biennium. The corresponding decrease in the special-purpose funds of the crime programme fund would be from \$75.3 million to \$48.4 million. However, the general-purpose fund and programme support cost fund balances would increase slightly, partially offsetting the decrease in the balances of the special-purpose funds. The Committee was informed that in 2008-2009 UNODC had actively sought to increase its programme support cost reserves to a level at least equivalent to requirements for one year, which is higher than the requirement stipulated in

administrative instruction ST/AI/286,<sup>2</sup> and that it would continue to do so in 2010-2011. This reserve is intended to ensure better contractual security for staff and to address unforeseen shortfalls (see paragraph 71 of the report).

**10. The Advisory Committee commends UNODC for its proactive efforts to contain general-purpose costs and its prudent approach in the management of programme support cost funds. The Committee is of the view that the prevailing economic situation warrants continued caution and restraint. The Committee recommends that the Office continue to exercise prudence in the utilization of general-purpose and programme support cost resources.**

11. The Advisory Committee notes that resources available to UNODC increased markedly in 2008-2009 compared with 2006-2007. For example, the special-purpose expenditure of the two UNODC funds rose from \$215.8 million in 2006-2007 to an estimated \$408.0 million in the current biennium (see paragraph 22 of the report). **The Committee considers that information on the resources available to UNODC and fund balances over the previous three to four bienniums would provide a more complete picture of the evolution of the financial situation of UNODC. It recommends that such information be provided to the governing bodies at the time of their consideration of the Executive Director's proposals, along with an update of the status of expenditures in 2008-2009.**

12. As indicated in paragraph 17 of the report, a cost-sharing formula was established to ensure that the drug and crime programme funds bore an appropriate and proportionate share of the common costs and of the financing of the general-purpose resource requirements of UNODC. In its previous report, the Advisory Committee recommended that the Executive Director pursue his fund-raising efforts in order to broaden further the donor base and sustain the level of resources of the United Nations Crime Prevention and Criminal Justice Fund (E/CN.7/2007/18–E/CN.15/2007/19, para. 7). The Committee notes that despite considerable efforts, general-purpose income did not increase to the extent desired (see also paragraph 19 below).

## IV. Other matters

### Relationship with other offices and departments

13. At its request, the Advisory Committee was provided with additional information on the relationship between UNODC and other offices and departments and current areas of cooperation, including peacekeeping missions, the Rule of Law

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<sup>2</sup> Administrative instruction ST/AI/286 stipulates that 20 per cent of estimated annual programme support cost income should be set aside to protect against unforeseen shortfalls in delivery, inflation and currency adjustments or to liquidate legal obligations in cases of abrupt termination of activities financed from extrabudgetary resources.

Coordination and Resource Group<sup>3</sup> and possible contributions to the Peacebuilding Commission and the Department of Peacekeeping Operations (see annex). The Committee notes that UNODC contributes actively to a number of peacekeeping missions and reconstruction efforts for countries emerging from conflict. In addition, several peacekeeping missions provide funding for UNODC officers. **The Committee recommends that information on the activities undertaken in cooperation with other offices and departments be provided in future budget submissions. Details on the mandate and role of UNODC as well as funding arrangements for such activities should also be included.**

#### **Organizational, budgetary and financial structure**

14. A chart of the organizational structure of UNODC proposed for the biennium 2010-2011 is provided in annex II to the report. **The Advisory Committee is of the view that a more detailed chart showing the breakdown of divisions or offices by section would provide more clarity as to the organizational structure of UNODC. The Committee recommends that such an expanded organizational chart be provided in future biennial budget submissions.**

15. In its report on UNODC, the Board of Auditors had noted that the budgetary and financial structure of UNODC was characterized by a high level of fragmentation and had recommended that the Secretary-General make proposals to the General Assembly to improve the budgetary structure of UNODC.<sup>4</sup> In its first report on the proposed programme budget for the biennium 2010-2011, the Advisory Committee had concurred with the observations and recommendations of the Board in that regard. The Committee had also noted that although UNODC functioned as a unified operational structure reflecting the interlinkages between the areas of drug control and crime prevention, it continued to have two governing bodies, which complicated the budget process.<sup>5</sup> The Executive Director has indicated that general-purpose expenditure and programme support costs for the drug and crime programme funds have been combined in the presentation for the biennium 2010-2011 in response to the Board's recommendation (see paragraph 18 of the report and paragraph 4 above).

16. The Executive Director has indicated that during the current biennium, in consultation with Member States, UNODC launched an exercise to rationalize and simplify its fragmented structure, aiming to shift from a project-based approach to a programmatic approach. The strategy adopted was to cluster and pool UNODC expertise and to develop thematic and regional programmes. A report on the implications of such an approach is to be submitted to the governing bodies in the first half of 2010 (see paragraphs 7 and 8 of the report). The Advisory Committee

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<sup>3</sup> The Group is chaired by the Deputy Secretary-General and supported by its secretariat, the Rule of Law Unit. Members of the Group are the principals of the Department of Political Affairs, the Department of Peacekeeping Operations, the Office of the United Nations High Commissioner for Human Rights, the Office of Legal Affairs, United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the United Nations Development Fund for Women and UNODC.

<sup>4</sup> *Official Records of the General Assembly, Sixty-third Session, Supplement No. 5I* (A/63/5/Add.9), chap. II, paras. 34-37.

<sup>5</sup> *Ibid.*, *Sixty-fourth Session, Supplement No. 7* (A/64/7), para. IV.86.

notes that this strategy is to be implemented in response to the request of the Office of Internal Oversight Services that UNODC review its terms of reference and clarify the functions of the respective divisions, branches and sections, as well as the role and functions of working teams (see paragraph 9 of the report).

**17. The Advisory Committee trusts that specific and comprehensive information on the actions taken and measures implemented in response to the recommendations of oversight and audit bodies will be provided in the next budget submission.**

#### **Coordination of UNODC programmes**

**18. The Advisory Committee reiterates its previous recommendation that specific examples of effective coordination between the drug and crime programmes of UNODC should be provided in future budget submissions, including efforts made to avoid duplication and seek complementarity. Details should also be included on the progress made towards integration of the UNODC drug and crime programmes at the organizational, programmatic and project levels (see E/CN.7/2007/18–E/CN.15/2007/19, para. 14).**

#### **General-purpose funding**

**19. The Advisory Committee notes with concern the erosion in the level of general-purpose funding available to UNODC for financing common costs. As shown in table 1 of the report, general-purpose funds represent some 4.3 per cent of the overall activity envisaged in the biennium 2010-2011. The Committee further notes that fund-raising efforts to increase the general-purpose income of the crime programme fund were not successful (see paragraph 17 of the report and paragraph 12 above). It considers that the high proportion of earmarked funds in the overall resources of UNODC raises concerns regarding the commitment of donors to support the core functions of the Office through general-purpose funding. The Committee considers that it is important to achieve an improved balance between special-purpose and general-purpose contributions, not only to secure the financial health of the Office and ensure a sustainable financing model but, equally, as an expression of confidence by Member States and donors as to the policy framework and management of the programmes.**

## Annex

### **Relationship and cooperation with other offices and departments**

1. In recent years, the United Nations Office on Drugs and Crime (UNODC) has been actively involved in contributing to a number of peacekeeping missions and reconstruction efforts for countries emerging from conflict. Critical to effective intervention in post-conflict areas has been the recognition of the strong links between issues related to the breakdown of criminal justice systems, organized crime and the presence of corrupt practices, as well as possible links to terrorist activities.

2. Over the years, UNODC has provided support in the development of crime and related drug control strategies, including the provision of legal assistance, training and capacity-building, policy development, justice reform and the prevention of HIV/AIDS, to countries emerging from conflict, including Afghanistan, Angola, Cambodia, El Salvador, Haiti, Iraq, Somalia and countries of the former Yugoslavia.

3. Currently, the United Nations Assistance Mission in Afghanistan (UNAMA) provides funding for two UNODC Programme Officers in the counter-narcotics area, the United Nations Stabilization Mission in Haiti (MINUSTAH) provides funding for one Legal Assistance/Law Enforcement Officer, the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) provides funding for two Corruption and Law Enforcement Officers, and the United Nations Peacebuilding Support Office in Guinea-Bissau (UNOGBIS) provides funding for a Special Adviser to provide the Secretary-General with advice on areas within UNODC mandates in that region.

#### **Current areas of cooperation**

4. In 2004, the Economic and Social Council, in its resolution 2004/25, entitled "The rule of law and development: strengthening the rule of law and the reform of criminal justice institutions, with emphasis on technical assistance, including in post-conflict reconstruction", specifically requested UNODC, in coordination with the Department of Peacekeeping Operations of the Secretariat and other relevant entities charged with providing assistance to countries in post-conflict situations, to consider specific practical strategies to assist in promoting the rule of law, taking an integrated approach to crime prevention and criminal justice reform, with particular emphasis on protecting vulnerable groups.

5. Pursuant to that resolution, UNODC developed the Criminal Justice Assessment Toolkit, which is a tool for assessing criminal justice systems, including in the framework of peacekeeping and post-conflict reconstruction. The assessment tools cover the following areas of the criminal justice system: (a) police services; (b) court reform and management; and (c) penal reform/corrections. UNODC has established working contacts with the Criminal Law and Judicial Advisory Unit of the Department of Peacekeeping Operations and with the United Nations Development Programme (UNDP) in order to make such tools a vital source of guidance and assistance for the carrying out of assessment missions by agencies across the United Nations system.

6. At the request of the Department of Peacekeeping Operations, UNODC was involved in the development of a guidance manual for corrections practitioners in peacekeeping operations.

7. In July 2009, UNODC published, in cooperation with the Department of Peacekeeping Operations, the United Nations Criminal Justice Standards for United Nations Police.

8. UNODC has also provided substantive input to the following initiatives currently being developed by the Department of Peacekeeping Operations:

(a) United Nations rule of law indicators;

(b) Interim standard operating procedures on detention in United Nations peace operations;

(c) Department of Peacekeeping Operations training modules for justice and correction affairs officers.

#### **United Nations Rule of Law Coordination and Resource Group**

9. UNODC, together with the Department of Peacekeeping Operations, is part of the United Nations Rule of Law Coordination and Resources Group, which is chaired by the Deputy Secretary-General and supported by the Rule of Law Unit. The Group's role is to ensure coherence and minimize fragmentation across all thematic areas, including justice, security, prison and penal reform, legal reform, constitution-making and transitional justice.

10. In late 2008, the Group endorsed the joint strategic plan for 2009-2011, which lays out an agenda for key United Nations rule of law efforts to be undertaken by the Group. The plan outlines the strategic principal outcomes, outputs and joint activities to which the members of Group will contribute.

#### **Future or possible UNODC contributions to the new peacebuilding commission and to the Department of Peacekeeping Operations**

11. As understood by the international community, promoting and guaranteeing the rule of law in a country dramatically promotes the development, as a whole, of the country itself. The most recent development policy and practices recognize the need for understanding the links among the different aspects of development, in particular between legal and non-legal features of the development process.

12. Reforming the rule of law and re-establishing justice systems are essential for post-conflict societies. Strengthening the rule of law in the wake of conflict is not only an investment in the recovery of the country; by addressing the grave injustices of war and the root causes of conflict, it can also help prevent a return to hostilities in the future.

13. This thinking has been fully embodied in the 2005 World Summit Outcome document (see General Assembly resolution 60/1), in which Heads of State and Government called for the establishment of a peacebuilding commission. The commission should focus attention on the reconstruction and institution-building efforts necessary for recovery from conflict and support the development of integrated strategies in order to lay the foundation for sustainable development to bring together all relevant actors.



14. In this context, UNODC, which is the repository of criminal justice system expertise within the United Nations system and has developed a network of experts over the years, can significantly contribute to the promotion and consolidation of the rule of law in post-conflict situations. In particular, UNODC can contribute to the following:

- (a) Assessment of criminal justice systems;
- (b) Promotion and application of international standards and norms;
- (c) Reform of criminal justice systems;
- (d) Assistance in drafting of legislation;
- (e) Training and material for criminal justice practitioners;
- (f) Penal reform;
- (g) Development or reform of juvenile justice systems;
- (h) Victim support.

15. Currently the main United Nations actors involved in the reconstruction of rule of law institutions in peacekeeping and post-conflict situations are the Department of Peacekeeping Operations, UNDP and UNODC. While the Department of Peacekeeping Operations has extensive expertise in overseeing and directing peacekeeping missions and managing operations in the immediate aftermath of a conflict, it does not possess the necessary specific criminal justice know-how and expertise needed for reconstruction. UNDP has the resources (human and financial) together with knowledge and expertise in the broad area of development, but it, too, lacks criminal justice knowledge. UNODC has extensive criminal justice expertise and significant experience in post-conflict situations, but lacks human and financial capacity. Better use can be made of this experience through increased involvement of UNODC in the context of peacekeeping and post-conflict situations.

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