



UNITED NATIONS
Office on Drugs and Crime

FRMS presentation to the Working Group on Governance and Funding

11 September 2008



The two budgets of UNODC

- The programme budget of the United Nations (the “regular budget”): funded from **assessed contributions** and subject to the approval of the **General Assembly**

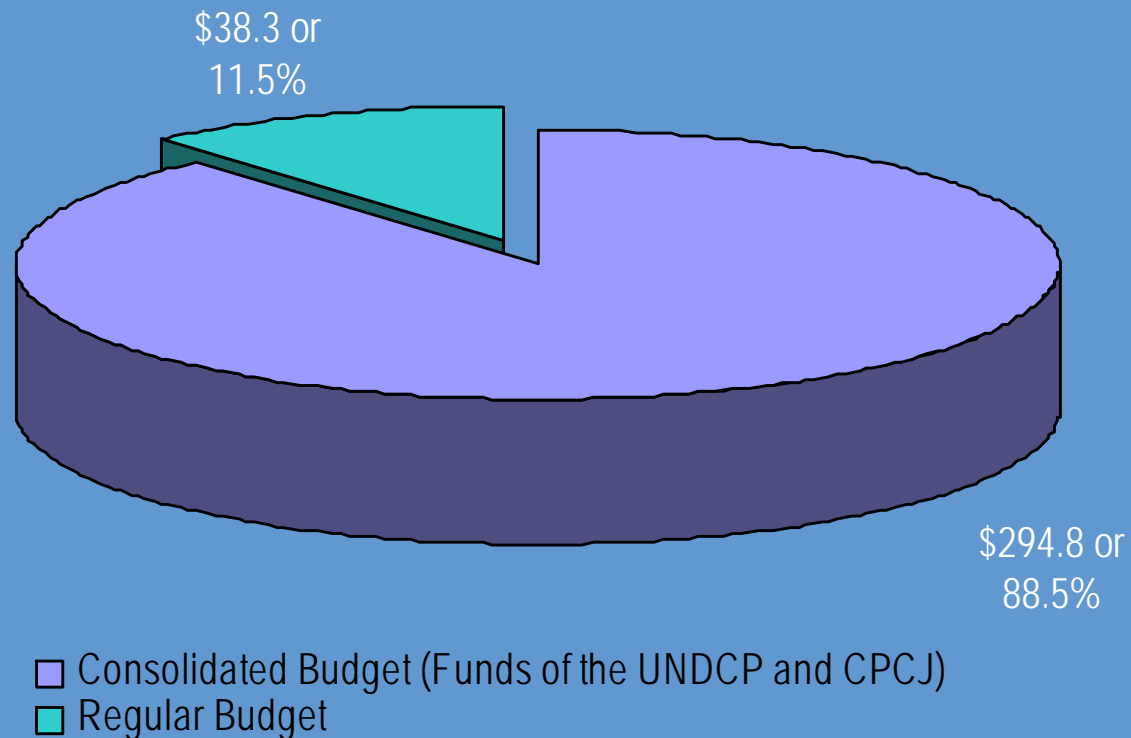
(Sections 16 (A/62/6 Sect.16 of 9 April 2007) and 22 (A/62/6 Sect. 22 of 2 May 2007) of the programme budget of the United Nations)

- The **consolidated budget of UNODC** (E/CN.7/2007/17- E/CN.15/2007/18 of 1 October 2007) : funded from **voluntary contributions** and subject, at least in part, to the approval of the **Commission on Narcotic Drugs** and the **Commission on Crime Prevention and Criminal Justice**

(The Fund of the United Nations International Drug Control Programme and the Fund of the Crime Prevention and Criminal Justice Programme)



Total UNODC funding: the regular budget and the consolidated budget for 2008-2009 (US \$ millions)





The Regular Budget

- Procedures and methodology governed by General Assembly resolution 41/213 of 19 December 1986.
- Support by 5th Committee of the General Assembly (ideally by consensus) and approved by the General Assembly (2008-2009 biennium A/RES/62/237 of 22 December 2007)
- Main documents:
 - Strategic framework (biennial plan) (A/61/6/Rev.1 of 13 February 2007)
 - Programme budget outline (A/61/576 of 5 November 2006)
 - Proposed Programme Budget (A/62/6 Sect.16 of 9 April 2007 and A/62/6 Sect. 22 of 2 May 2007)
- Contingency fund
- Recosting for currency and inflation fluctuations



The Strategic Framework (or “biennial plan”)

- The biennial plan identifies the substantive aims and programme structure for the programme budget. It defines the objectives to be achieved in the implementation of mandates.
- The Results Based Budget (RBB) logical framework of objectives, expected accomplishments and indicators of achievement is first set out in the biennial plan.
- The biennial plan for 2010-2011 (A/63/6 (Prog.13) of 3 March 2008), which provides the framework for the proposed programme budget for 2010-2011, was reviewed by ECOSOC’s Committee for Programme and Coordination in June-July 2008.
- The General Assembly, at its sixty-third session in 2008, will review the biennial plan for 2010-2011 together with the report of the Committee for Programme and Coordination (CPC) on the biennial plan (A/63/16 of 3 July 2008).



Regular budget preparation (2010-2011)

1. First year of prior biennium (i.e. 2008)

- **September:** The Secretary-General's **programme budget outline** for the biennium 2010-2011 is submitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions (ACABQ);
- **October-November:** Departments and offices receive and respond to budget preparation instructions from the Controller.

2. Second year of the biennium (2009)

- **January to April:** Review of departmental submissions and preparation of the **programme budget fascicles**.
- **June/July:** CPC review of programmatic changes to the proposed programme budget arising from new and/or revised mandates.
- **May to June:** Review of programme budget fascicles by the **Advisory Committee of Administrative and Budgetary Questions (ACABQ)**.
- **October-December:** 5th Committee review and approval of the proposed programme budget (with reports of the ACABQ (A/64/7) and CPC (A/64/16)).



Adoption of the new Budget (2010-2011)

- 5th Committee endorsement and General Assembly approval of the programme budget for 2010-2011 biennium expected in December 2009.
- The amounts approved become:

THE INITIAL APPROPRIATIONS FOR THE BIENNIUM

- **The General Assembly**, when approving the initial appropriations, also makes provision, by a separate resolution, for **unforeseen and extraordinary expenses**, spelling out the conditions under which the Secretary-General may enter into commitments in the biennium to meet unforeseen and extraordinary expenses arising during that biennium.



Action on current budget – Programme Budget 2008-2009

1. First year of the biennial period – 2008

- Additional requirements: 5th Committee reviews and approves additional requirements, after review of requirements by ACABQ (statements of programme budget implications and/or revised estimates).
- **First budget performance report:** 5th Committee reviews and approves adjustments to the initial appropriations, after review by ACABQ.
Adjustments resulting from:
 - changes in rates of exchange and inflation and adjustments to standard costs;
 - unforeseen and extraordinary expenses.
- The initial appropriations, as modified by adjustments, the first budget performance report and recosting, will be endorsed by the 5th Committee and approved by the General Assembly and become, at the end of the first year of the biennial period the:

REVISED APPROPRIATIONS



Action on current budget – Programme Budget 2008-2009

2. Second year of the biennial period 2009

- The **second performance report**: 5th Committee reviews and approves adjustments to the revised appropriations based on an assessment of the resources actually required during the first 21 months of the biennium, after review by ACABQ. Adjustments resulting from:
 - changes in rates of exchange and inflation and adjustments to standard costs;
 - unforeseen and extraordinary expenses.
- The adjustments approved by the General Assembly at the sixty-second session to become the:

FINAL APPROPRIATIONS FOR THE BIENNIUM



Resolutions with programme budget implications

Financial Regulations and Rules of the United Nations (ST/SGB/2003/7 of 9 May 2003)

Regulation 2.10. No council, commission or other competent body shall take a decision involving either a change in the programme budget approved by the General Assembly or the possible requirement of expenditure unless it has received and taken account of a report of the Secretary-General on the programme budget implications of the proposal.

Regulation 2.11. Where, in the opinion of the Secretary-General, a proposed expenditure cannot be made from existing appropriation, it shall not be incurred until the General Assembly has made the necessary appropriation unless the Secretary-General certifies that the expenditure can be made under the provisions of the Assembly resolution relating to unforeseen and extraordinary expenses.

Rule 102.6

All heads of department are responsible for preparing, obtaining clearance thereon from the Under-Secretary-General for Management, and presenting to relevant legislative bodies the statements on programme budget implications required by regulation 2.10.



The Contingency Fund (Resolutions 41/213 of 19 December 1986 & 42/211 of 21 December 1987)

- The **contingency fund** is a mechanism that makes it possible for the General Assembly to provide, within a certain limit, the Secretary-General with additional resources to implement additional mandates not provided for in the programme budget for the biennium.
- The General Assembly decides on the **size of the contingency fund** when it approves the budget outline, expressed as a percentage of the overall budget level. Resolution 59/278 of 23 December 2004 approved a percentage of 0.75% namely \$27.2 million for 2006-2007.
- The contingency fund accommodates **additional expenditures** relating to the biennium, on the basis of programme budget implication statements and revised estimates, derived from legislative mandates not provided for in the programme budget.



The consolidated budget of UNODC

- The budget of the **Fund of the United Nations International Drug Control Programme (UNDCP)** is approved by the Commission of Narcotic Drugs, after review by ACABQ (section XVI, paragraph 2 of General Assembly resolution 46/185C of 20 December 1991)
- The budget of the **Crime Prevention and Criminal Justice (CPCJ) Fund** is approved by the Commission on Crime Prevention and Criminal Justice, after review by ACABQ (section XI of General Assembly resolution 61/252 of 22 December 2006)



Structure of the consolidated budget of UNODC

- Based on the programme budget of the UN:
 - Policymaking organs
 - Executive Direction and Management (Office of the Executive Director)
 - Programme of Work
 - Subprogramme 1. Rule of law (Division for Treaty Affairs)
 - Subprogramme 2. Policy and trend analysis (Division for Policy Analysis and Public Affairs)
 - Subprogramme 3. Prevention, treatment and reintegration, and alternative development (Division for Operations)
 - Programme Support (Division for Management)



The preparation of the consolidated budget of UNODC for the biennium 2010-2011

- The consolidated budget is based on the UNODC medium-term strategy for the period 2008-2011 for UNODC (E/CN.7/2007/14-E/CN.15/2007/5), which was approved by ECOSOC Resolutions 2007/12 of 25 July 2007 and 2007/19 of 26 July 2007.
- The UNODC medium-term strategy has been harmonized with the UN strategic framework (biennial plan) for the period 2010-2011.
- July-August 2009: Based upon submissions of the substantive offices, the consolidated budget is prepared by the Financial Resources Management Service and reviewed by UNODC Executive Committee.



The review and approval of the consolidated budget of UNODC for the biennium 2010-2011

- September-November 2009: Informal consultations with Member States.
- October 2009: The consolidated budget is reviewed by the Advisory Committee on Administrative and Budgetary Questions.
- The report of ACABQ, containing comments and recommendations, is forwarded to the Commission on Narcotic Drugs and to the Commission on Crime Prevention and Criminal Justice
- November 2009: The Commission on Narcotic Drugs (CND) and the Commission on Crime Prevention and Criminal Justice (CPCJ) review the consolidated budget, together with the report thereon of ACABQ.



The implementation of the consolidated budget of UNODC for the biennium 2010-2011

- December 2008 - January 2009: Based on CND and CCPCJ approval, and an updated assessment of the financial situation, FRMS issues yearly allocations to programme managers at HQ and in the field.
- Programme Managers are responsible for managing the allocation and the implementation of the approved programme of work



Action on current consolidated budget – 2008-2009

- March-April 2009: Review by CND and CCPCJ of consolidated budget performance report for the first year of the biennium.
- November 2009: Review by CND and CCPCJ of final 2008-2009 budget and proposed consolidated budget for the biennium 2010-2011.



The consolidated budget of UNODC – General purpose and special-purpose resources

- The consolidated budget focuses on those resources over which the Commissions have direct budgetary authority, i.e. **general purpose funds**.
- General purpose funds are **unearmarked voluntary contributions**, which finance UNODC's executive direction and management, as well as programme and programme support costs both at headquarters (Vienna) and in the field.
- The consolidated budget also provides information on **special-purpose contributions** or earmarked voluntary contributions that finance UNODC's technical cooperation and other substantive activities at headquarters and in the field.

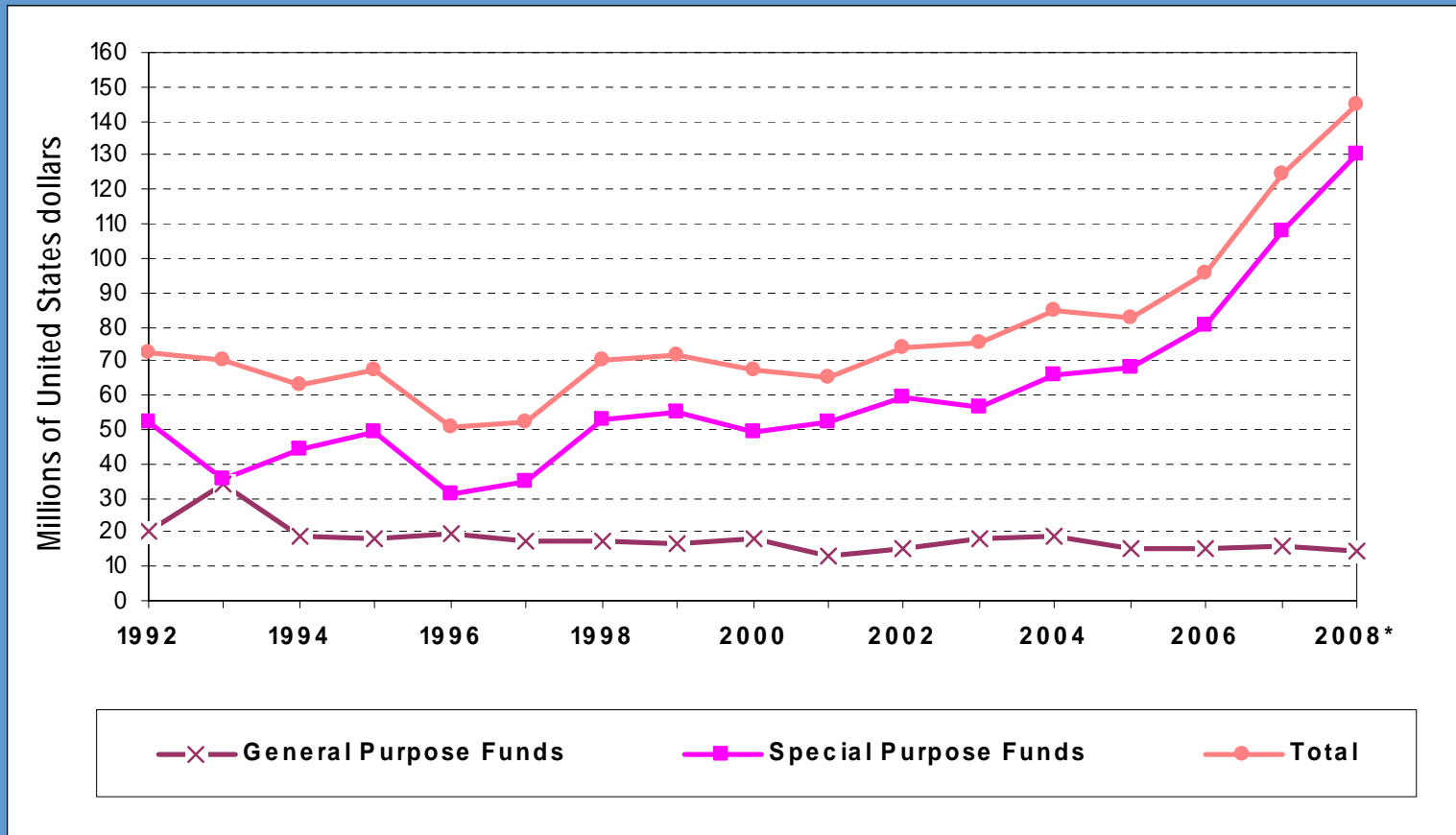


The consolidated budget of UNODC – programme support charges (PSC)

- Programme support requirements are funded through the application of a charge (of up to 13%) against activities funded from special-purpose contributions.
- In accordance with ST/AI/286 of 3 March 1982, these resources are used in areas where a demonstrable relationship exists between the supporting activity concerned and the activities that generated the programme support revenue, namely, central administrative and programme management functions at headquarters and project management functions in field offices.



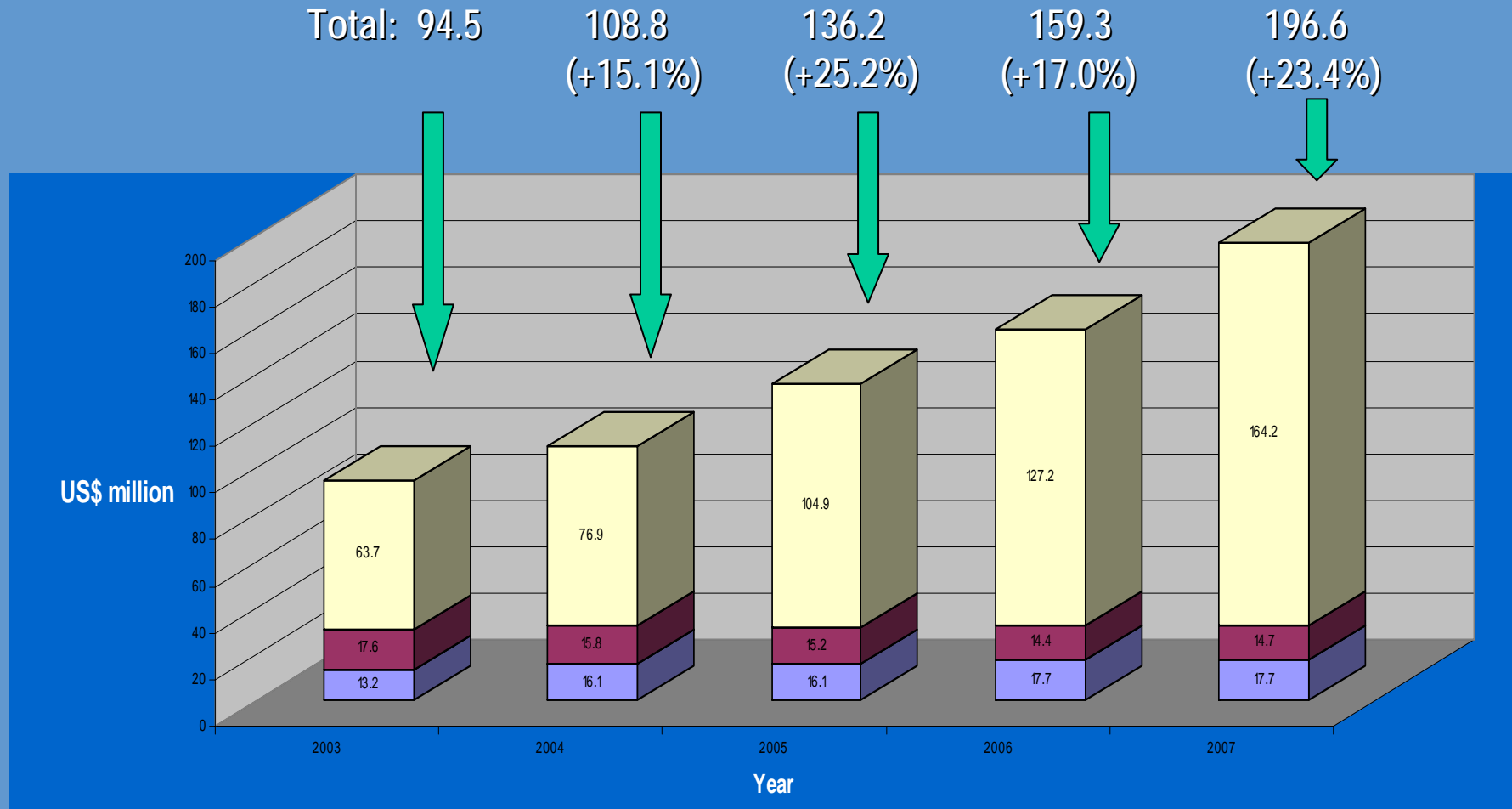
Drugs Programme (US \$ Millions)* - Voluntary contributions 1992-2008



*Estimates as of 30 June 2008



Funding trend (US \$ Millions)*



*as of 30 June 2008

■ Regular budget ■ GP Funds ■ Special purpose funds

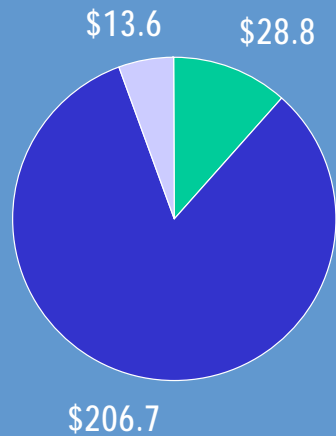


General purpose, special purpose and programme support cost Income – 2006-2007 (US \$ Millions)

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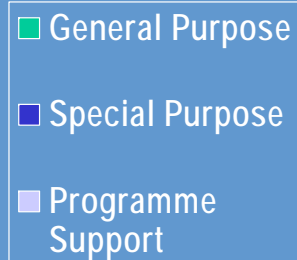
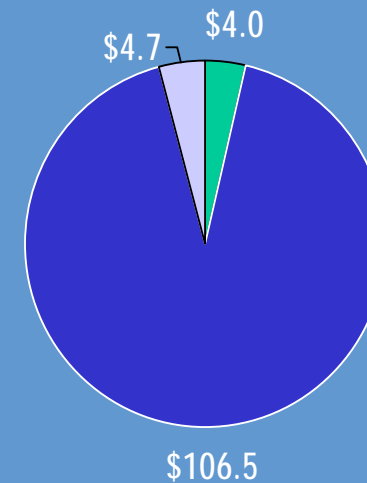
Fund of UNDCP

Total 2006-2007 Income = \$249.1



CPCJ Fund

Total 2006-2007 Income = \$115.2





UNODC

General Purpose Funds 2008

Projections as at 30 June 2008

(US \$ Millions)

	Drugs		Crime		Total	
	Approved Budget	Current estimate	Approved Budget	Current estimate	Approved Budget	Current estimate
A Opening balance (1/1/2008)*		11.3		3.8		15.1
B Income (See Table 3)	14.5	14.4	1.8	2.2	16.3	16.6
C Expenditure (See below)	10.2	12.6	3.3	3.6	13.5	16.2
E Closing balance (A+B-C)*		13.1		2.4		15.5
Expenditure projections for 2008						
	Approved Budget	Current estimate	Approved Budget	Current estimate	Approved Budget	Current estimate
Expenditure						
I Staff and other personnel costs	9.4	11.5	3.0	3.3	12.4	14.8
II Travel	0.3	0.4	0.1	0.1	0.4	0.5
III Contractual services	0.2	0.3	0.1	0.1	0.3	0.4
IV Operating expenses	0.2	0.3	0.1	0.1	0.3	0.4
V Supplies and materials and furniture and equipment	0.1	0.1	0.0	0.0	0.1	0.1
Total expenditure (I to V)	10.2	12.6	3.3	3.6	13.5	16.2

*Drugs opening and closing balances include \$1.2 million of unrealised exchange gains



General purpose funds: Cash inflows 2004-2008 Status as of 30 June 2008 (US \$ Thousands)

Part 1

Donors		Drugs					Crime					Total UNODC				
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
1	Italy	3,794	3,106	1,795	1,613	-	208	1,331	769	1,076	-	4,002	4,437	2,564	2,689	-
2	Norway	1,002	1,302	1,309	1,405	-	-	459	457	504	580	1,002	1,761	1,766	1,909	580
3	Denmark	828	806	851	1,902	-	-	-	-	-	-	828	806	851	1,902	-
4	Sweden	1,400	1,067	1,994	1,078	-	67	72	68	72	-	1,467	1,139	2,062	1,150	-
5	United States	4,800	1,206	1,000	1,000	-	-	-	-	-	-	4,800	1,206	1,000	1,000	-
6	France	905	975	845	909	888	-	-	-	-	-	905	975	845	909	888
7	Ireland	244	483	514	807	-	-	-	-	-	-	244	483	514	807	-
8	Germany	746	723	765	789	910	-	-	-	-	-	746	723	765	789	910
9	Japan	1,538	1,060	867	781	-	-	-	-	-	-	1,538	1,060	867	781	-
10	Canada	400	406	436	468	-	74	118	90	94	-	474	524	526	562	-
11	Australia	293	307	385	404	471	-	-	-	-	-	293	307	385	404	471
12	Belgium	199	53	-	371	55	-	-	-	-	-	199	53	-	371	55
13	Finland	123	152	288	302	508	-	-	-	-	-	123	152	288	302	508
14	Spain	-	245	214	242	-	-	-	-	-	-	-	245	214	242	-
15	Turkey	200	200	150	230	-	-	-	-	-	-	200	200	150	230	-
16	India	60	60	100	100	-	6	-	100	127	-	66	60	200	227	-
17	Czech Republic	81	82	95	112	-	-	82	-	-	-	81	164	95	112	-
18	Russian Federation	150	379	100	100	-	-	-	-	-	-	150	379	100	100	-
19	Mexico	100	100	100	100	100	-	-	-	-	-	100	100	100	100	100
20	Republic of Korea	75	75	75	75	-	20	8	-	22	-	95	83	75	97	-



General purpose funds: Cash inflows 2004-2008 Status as of 30 June 2008 (US \$ Thousands)

Part 2

Donors		Drugs					Crime					Total UNODC				
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
21	New Zealand	71	69	66	72	-	-	-	-	-	-	71	69	66	72	-
22	Luxembourg	-	-	132	67	158	-	-	-	-	-	-	-	132	67	158
23	Switzerland	-	154	41	61	-	-	-	-	-	-	-	154	41	61	-
24	Austria	161	121	54	55	-	85	-	-	-	-	246	121	54	55	-
25	Saudi Arabia	50	50	50	50	-	-	-	-	-	-	50	50	50	50	-
26	Singapore	5	5	5	50	5	-	-	-	-	-	5	5	5	50	5
27	Portugal	25	25	25	25	25	-	-	-	-	-	25	25	25	25	25
28	Kazakhstan	-	-	-	25	-	-	-	-	-	-	-	-	-	25	-
29	Thailand	20	20	20	20	-	-	-	-	-	-	20	20	20	20	-
30	Venezuela	20	-	10	10	-	4	-	8	-	-	24	-	10	18	-
31	Slovenia	-	-	5	15	15	-	-	-	-	-	-	-	5	15	15
32	Croatia	-	1	-	10	6	1	-	5	-	-	1	1	-	15	6
33	China	28	94	54	14	54	-	-	-	-	-	28	94	54	14	54
34	Israel	10	10	12	12	15	-	-	-	-	-	10	10	12	12	15
35	Algeria	-	20	10	10	-	-	-	-	-	-	-	20	10	10	-
36	Monaco	10	10	10	10	12	-	-	-	-	-	10	10	10	10	12
37	Morocco	6	3	6	3	3	2	-	6	2	2	8	3	12	5	5
38	Kuwait	-	5	5	5	-	-	-	-	-	-	-	5	5	5	-
39	Sri Lanka	5	5	5	5	5	-	-	-	-	-	5	5	5	5	5
40	Chile	-	-	-	-	-	1	-	5	-	-	1	-	-	5	-



General purpose funds: Cash inflows 2004-2008 Status as of 30 June 2008 (US \$ Thousands)

Part 3

Donors		Drugs					Crime					Total UNODC				
		2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
41	Panama	3	5	3	4	3	-	-	-	-	-	3	5	3	4	3
42	Tunisia	3	2	2	2	2	2	-	-	-	-	5	2	2	2	2
43	Pakistan	-	3	-	2	-	-	-	-	-	-	-	3	-	2	-
44	Laos	2	-	5	1	-	-	-	-	-	-	2	-	5	1	-
45	Bangladesh	10	1	1	1	1	-	-	-	-	-	10	1	1	1	1
46	Malaysia	20	40	20	-	-	-	-	-	-	-	20	40	20	-	-
47	Greece	15	20	20	-	-	-	-	-	-	-	15	20	20	-	-
48	South Africa	-	-	4	-	-	-	-	-	-	-	-	-	4	-	-
49	Cameroon	-	2	-	-	-	-	-	2	-	-	-	2	2	-	-
50	Madagascar	-	-	1	-	-	5	-	1	-	-	5	-	2	-	-
51	Colombia	-	80	-	-	-	-	-	-	-	-	-	80	-	-	-
52	Lebanon	-	5	-	-	-	-	-	-	-	-	-	5	-	-	-
53	Bahamas	-	1	-	-	-	-	-	-	-	-	-	1	-	-	-
54	Qatar	-	-	-	-	-	5	-	-	-	-	5	-	-	-	-
55	United Arab Emirates	50	-	-	-	-	-	-	-	-	-	50	-	-	-	-
56	European Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	United Kingdom	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total voluntary	17,452	13,538	12,449	13,317	3,236	480	2,070	1,493	1,915	582	17,932	15,608	13,942	15,232	3,818
	Interest income*	963	1,600	2,011	2,151	1,000	100	300	174	135	100	1,063	1,900	2,185	2,286	1,100
	Miscellaneous	100	-	879	673	-	900	100	87	64	-	1,000	100	966	737	-
	TOTAL	18,515	15,138	15,339	16,141	4,236	1,480	2,470	1,754	2,114	682	19,995	17,608	17,093	18,255	4,918

* Interest income for 2008 as of 30 June is estimate only.



Report of the Board of Auditors (A/63/5/Add.9) – Budgetary structure

For the first time in February 2008, the office produced a report on how to improve its budgetary and financial structure, characterized by high levels of fragmentation, at the joint request of the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice. The budget for the International Drug Control Programme is approved by the Commission on Narcotics Drugs, and the Crime Prevention and Criminal Justice Programme by the Commission on Crime Prevention and Criminal Justice. The share of the regular UN budget assigned to UNODC is approved by the General Assembly.

Although the presentation of the two programmes has been consolidated, UNODC continues to prepare two distinct draft budgets. The first budget is aimed at UN headquarters with a view to its integration into the general UN budget. The second budget accounts for voluntary contributions assigned to the United Nations International Drug Control Programme (UNDCP) and the Crime Prevention and Criminal Justice Programme (CPCJ).



Report of the Board of Auditors (A/63/5/Add.9) – Budgetary structure

The above mentioned report issued in February 2008 stated that budget management could be improved by the holding of joint sessions for the drug and crime commissions, the consolidation of the two current funds within a UNODC fund, or the consolidation of these funds within the United Nations budget.

The Board recommends that the Secretary-General make proposals to the General Assembly to improve the budgetary structure of UNODC.