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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

Financial situation of the United Nations Office on Drugs and Crime

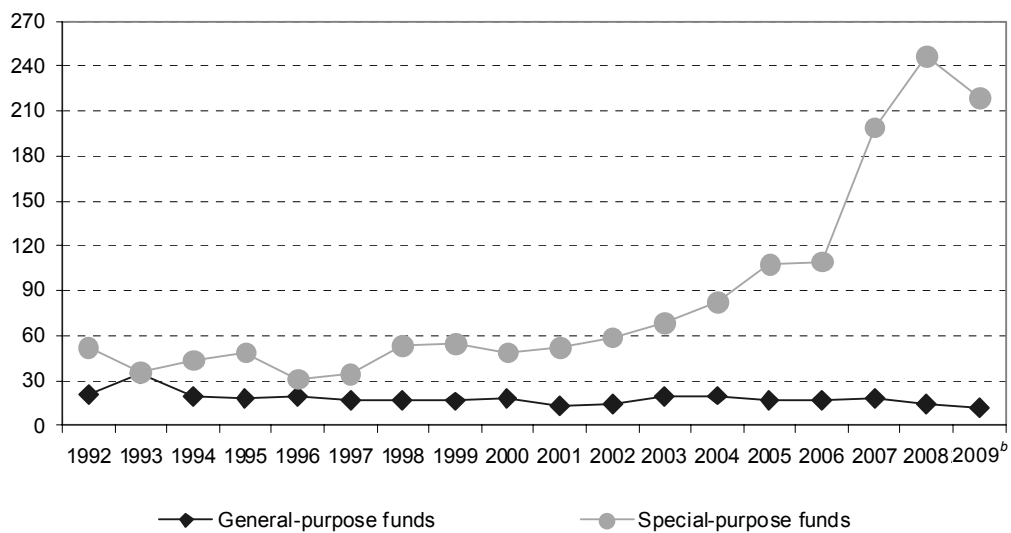
Note by the Secretariat

1. The present note was prepared pursuant to Commission on Crime Prevention and Criminal Justice decision 18/2 and is based on a presentation made on 20 April 2009 by the Director of the Division for Management of the United Nations Office at Vienna and the United Nations Office on Drugs and Crime (UNODC).



2. Figure I juxtaposes the significant growth in special-purpose (earmarked) income with the stagnation and decline in general-purpose (unearmarked) income between 1992 and 2009.

Figure I
Voluntary income, 1992-2009^a
(Millions of United States dollars)



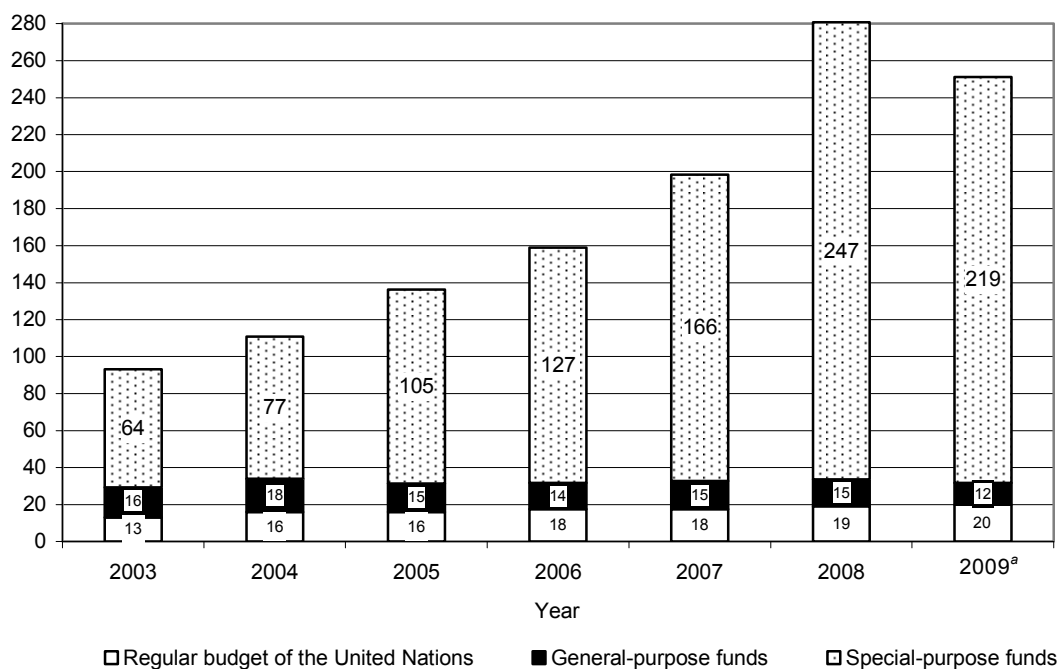
Source: United Nations Office on Drugs and Crime.

^a Including general-purpose and special-purpose funds for the crime programme from 2003 onwards.

^b Projections.

3. Figure II shows the proportion of UNODC funding received as special- and general-purpose voluntary contributions as well as funds received from the regular budget of the United Nations from 2003 to 2009.

Figure II
Funding trends, 2003-2009
 (Millions of United States dollars)



Source: United Nations Office on Drugs and Crime.
^a Projections.

4. While general-purpose income has been falling for many years, there has been a particularly steep decline in 2009 (see box 1).

Box 1

General-purpose funds

- Long-term decline in income – from an annual average of \$21 million from 1992 to 1998 to \$15.2 million in 2008
- 2009 requirements of \$15.6 million
- 2009 income projected at \$11.7 million (\$3.9 million (or 25 per cent) lower than requirements); further downward adjustments are likely

5. General-purpose funds are unearmarked voluntary contributions that finance the budget approved by the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice. The use made of those funds is outlined in box 2.

Box 2

General-purpose funds: where are they used?

General-purpose funds finance 8 per cent of the UNODC budget (with the remainder financed by the regular budget (11 per cent) and special-purpose funds (81 per cent)), including many core functions:

- Office of the Executive Director:
\$1.4 million = 8 posts + \$174,000 for operational costs
- Division for Policy Analysis and Public Affairs:
\$4.6 million = 36 posts + \$302,000 for operational costs
- Division for Operations, headquarters:
\$1.8 million = 13 posts + \$141,000 for operational costs
- Division for Operations, field offices:
\$5.6 million = 30 posts
- Programme and Financial Information Management System (ProFi):
\$1.2 million = 9 posts + \$92,000 for operational costs
- Mandatory audit costs (Office of Internal Oversight Services and external audit): \$425,600

6. In response to the steep fall in general-purpose income in 2009, management has taken steps to reduce general-purpose expenditure (see box 3).

Box 3

General-purpose funds: management measures

Step 1. Savings already realized

- Freeze of vacancies – 7 posts (\$940,000), including a D-2 post in the Division for Treaty Affairs, a D-1 post in the Policy Analysis and Research Branch, P-5 and P-3 posts in the Independent Evaluation Unit, a P-4 post in the Sustainable Livelihoods Unit, 1 P-4 post and 1 P-3 post in field offices
- Reductions in travel and consultancies – \$211,000
- Shared support costs to projects – \$282,000
- Remaining operational costs reduced in half – \$148,000

Total step 1 savings: \$1.6 million in 2009

Step 2. Savings to be realized in 2010

Six field office posts abolished in:

- Country office in Myanmar
- Country office in Viet Nam
- Regional office for the Russian Federation and Belarus
- Regional office for Mexico and Central America
- Regional office for the Middle East and North Africa
- Regional office for Central Asia

Total step 2 savings: \$1 million in 2010

Step 3. Further savings targets

- | | |
|---|-------------|
| • Office of the Executive Director | \$150,000 |
| • Division for Policy Analysis and Public Affairs | \$1,200,000 |
| • Division for Operations | \$750,000 |
| • Division for Management | \$375,000 |

Total step 3 savings: \$2.5 million in 2010

7. The steps taken to reduce general-purpose expenditure have been accompanied by other measures to generate efficiencies and reduce liabilities (see box 4).

Box 4

General-purpose funds: other measures

- Realign functions across headquarters divisions to eliminate duplication and optimize impact of remaining core resources
- Return to one-year contracts
- Negotiate cost-sharing agreements with host countries for field offices
- Future special-purpose fund programme contributions to include minimum amount earmarked for general purposes

8. Due to ongoing commitments, it is not possible to generate all of the projected \$3.9 million savings requirement in 2009. If general-purpose income in 2010 exceeds general-purpose expenditure, the surplus will be used to restore the fund balance (see table).

General-purpose funds: projected savings

(Millions of United States dollars)

	<i>2009</i>	<i>2010</i>
Step 1	1.6	1.6
Step 2		1.0
Step 3		2.5
	1.6	5.1