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Strategic management, budgetary and administrative questions: directives on policy and budgetary issues for the drug programme of the United Nations Office on Drugs and Crime

Commission on Crime Prevention and Criminal Justice
Reconvened thirty-second session
Vienna, 7 and 8 December 2023
Agenda item 4 (b)
Strategic management, budgetary and administrative questions: directives on policy and budgetary issues for the United Nations crime prevention and criminal justice programme**Consolidated budget for the biennium 2024–2025 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 an advance version of the report of the Executive Director on the consolidated budget for the biennium 2024–2025 for the United Nations Office on Drugs and Crime (UNODC) ([E/CN.7/2023/13-E/CN.15/2023/17](#)). During its consideration of the report, the Committee met with representatives of UNODC, who provided additional information and clarifications, concluding with written responses received on 19 October 2023.

2. The consolidated budget for the biennium 2024–2025 for UNODC reflects resource projections from both voluntary contributions and the regular budget of the United Nations and is submitted, for approval, to the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice, pursuant to General Assembly resolutions [46/185 C](#) and [61/252](#), section XI. As indicated in paragraph 2 of the report of the Executive Director, although UNODC strives for integration and a holistic approach to its drug- and crime-related technical cooperation programme, voluntary contributions to UNODC are budgeted and accounted for separately under the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund. The financial position of the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund is set out in annex III to the report of the Executive Director. Unearmarked voluntary contributions are represented by the general-purpose funds, provided to finance limited core programmatic functions not funded by the regular budget, including normative work and research, institutional initiatives and programmatic shortfalls. The earmarked



voluntary contributions are represented by special-purpose funds, provided to finance the Office's technical cooperation and other substantive activities at headquarters (Vienna) and in the field. Programme support costs are the charges collected on voluntary contributions to recover the additional costs incurred in support of programme delivery financed from voluntary contributions. These costs are capped at 13 per cent, in accordance with General Assembly resolution 35/217, and are restricted to indirect support under predetermined categories (E/CN.7/2023/13-E/CN.15/2023/17, paras. 3–5).

3. The regular budget resources shown in the consolidated budget for UNODC are submitted to the General Assembly in sections 16 and 23 of the proposed programme budget for 2024 (A/78/6 (Sect. 16) and A/78/6 (Sect. 23)). For presentation purposes, the requirements for 2025 are extrapolated at a similar level to the proposal for 2024, including adjustments for non-recurrent activities (E/CN.7/2023/13-E/CN.15/2023/17, para. 6).

II. Financial projections

Income projections

4. The anticipated income by source of funding for the biennium 2024–2025 is: (a) \$9.4 million (1.2 per cent) under general-purpose fund income; (b) \$676.9 million (84.2 per cent) under special-purpose fund income; (c) \$70.2 million (8.7 per cent) under programme support cost funds income; and (d) \$47.6 million (5.9 per cent) under the regular budget (E/CN.7/2023/13-E/CN.15/2023/17, para. 58 and fig. I). Upon enquiry, the Advisory Committee was provided with information on the contributions to UNODC by income type, as reflected in table 1 below.

Table 1
Contributions to the United Nations Office on Drugs and Crime, by income type, 2022–2023 and estimates for 2024–2025

(Thousands of United States dollars)

<i>Fund</i>	<i>Source of contribution</i>	<i>2022–2023 (final)</i>	<i>2024–2025 (initial)</i>
Fund of the United Nations International Drug Control Programme	Contributions from Member States	116 754.4	144 826.0
	Contributions from national donors	71 550.5	20 693.0
	Contributions from other governmental organizations	10 794.8	4 000.0
	Contributions from international organizations	24 868.8	23 000.0
	Private donations	1 638.5	1 250.0
Total, Fund of the United Nations International Drug Control Programme		225 607.0	193 769.0
United Nations Crime Prevention and Criminal Justice Fund	Contributions from Member States	389 345.7	363 251.0
	Contributions from national donors	5 370.7	3 080.0
	Contributions from other governmental organizations	84 772.9	93 550.0
	Contributions from international organizations	12 624.3	23 119.5
	Private donations	5 085.0	107.0
Total, United Nations Crime Prevention and Criminal Justice Fund		497 198.6	483 107.5
Grand total		722 805.6	676 876.5

5. Upon enquiry, the Advisory Committee was informed that, as regards the reductions in 2024–2025 of contributions from national donors, other governmental organizations and private donations, the income projections were initial estimates of an indicative nature that could only be confirmed in the course of the biennium, since they related to voluntary contributions rather than to a standing source such as assessed contributions, as was the case in a number of organizations. The Committee

was informed that the consistent year-on-year growth in contributions made to UNODC was a testimony to the increasing emphasis that the donor community had placed on UNODC mandates, and that the increased contributions were often reflective of changing donor priorities resulting from crisis scenarios. Furthermore, the reduction of budgets for official development assistance in a number of countries to offset the costs of receiving refugees had tended to impact allocations to multilateral organizations and had led to a number of countries announcing the reduction of the official development assistance target of 1 per cent of gross national product. **The Advisory Committee notes the reduced contribution forecast for 2024–2025 compared with 2022–2023, due to the estimated reduced income from all donor groups with regard to the Fund of the United Nations International Drug Control Programme and/or the United Nations Crime Prevention and Criminal Justice Fund. The Committee therefore encourages UNODC to continue its efforts aimed at diversifying its fundraising efforts.**

6. As regards the status of soft-earmarked contributions, upon enquiry, the Advisory Committee was informed that the contributions to general-purpose funds had reached approximately \$4.6 million in 2022 and were expected to remain in that range in 2023. The Committee was informed that that estimate was in line with the average annual aggregate contributions to general-purpose funds received over the last five years (2018–2022), and no deviations were expected in the future. Furthermore, donors were reminded of the Office's limited unearmarked and soft-earmarked resources and were encouraged to drive underfunded cross-cutting mandates, including through the following forums and means: (a) regular briefings to Member States through the standing open-ended intergovernmental working group on improving the governance and financial situation of UNODC; (b) high-level strategic dialogues with donors; (c) diversification of the donor base, with emphasis on engaging in high-level bilateral meetings with a cross-section of partners and on new opportunities with development agencies; and (d) briefing sessions and outreach efforts.

7. The Advisory Committee notes the level of anticipated income of \$9.4 million under general-purpose funds consisting of unearmarked voluntary contributions, compared with special-purpose fund income of \$676.9 million consisting of earmarked voluntary contributions. The Committee also notes the overall reduced contributions for the biennium 2024–2025. The Committee trusts that UNODC will seek to expand its efforts to mobilize flexible funding, including through a range of diverse fundraising initiatives, in order to further increase the total amount and percentage of unearmarked contributions, and will report thereon in its next budget report.

Expenditure projections

8. The actual expenditures for 2020–2021, the approved initial and revised budget for 2022–2023, the final budget projections for 2022–2023 and the initial budget for 2024–2025 by source of fund are provided in table 1 of the report of the Executive Director. As indicated in that table, the total initial expenditure projection for the biennium 2024–2025 is \$858,974,100, an increase of \$58,293,200 (or 7.3 per cent) compared with the revised projections for 2022–2023.

9. Projected expenditure in the consolidated budget for 2024–2025 by source of funds are: (a) general-purpose funds: \$9,210,600, an increase of \$483,700, or 5.5 per cent, compared with the revised budget for 2022–2023; (b) special-purpose funds: \$734,228,900, an increase of \$43,183,400, or 6.2 per cent, compared with the revised budget for 2022–2023; (c) programme support cost funds: \$67,907,200, an increase of \$14,210,400, or 26.5 per cent, compared with the revised budget for 2022–2023; and (d) regular budget: \$47,627,400, an increase of \$415,700, or 0.9 per cent, compared with the combined programme budget for 2022 and 2023 ([E/CN.7/2023/13-E/CN.15/2023/17](#), table 1).

10. Upon enquiry, the Advisory Committee was provided with the latest estimated expenditures for the final budget for 2022–2023, as shown in table 2 below. The Committee notes the increases across most objects of expenditure in the expenditure projections in the 2024–2025 consolidated budget, with the exception of travel of staff and contractual services under general-purpose funds, consultants and experts, general operating expenses and grants and contributions under special-purpose funds, and other staff costs, contractual services and furniture and equipment under programme support costs. **The Advisory Committee trusts that additional clarification and information will be provided to the Commissions during their consideration of the present report.**

Table 2
Resource projections by object of expenditure and source of funds
(Thousands of United States dollars)

<i>Object of expenditure</i>	<i>2022–2023 (initial)</i>	<i>2022–2023 (revised)</i>	<i>2022–2023 (final)</i>	<i>2024–2025 (initial)</i>
A. General-purpose				
Posts	5 883.3	5 881.5	5 881.5	6 257.0
Consultants and experts	87.6	87.6	87.6	147.6
Travel of staff	187.4	187.4	187.4	167.4
Contractual services	119.2	119.1	119.1	82.0
General operating expenses	2 339.6	2 340.3	2 340.3	2 405.2
Supplies and materials	24.8	25.2	25.2	26.8
Furniture and equipment	28.0	28.0	28.0	63.0
Contributions to joint services	57.0	57.8	57.8	61.6
Subtotal, A	8 726.9	8 726.9	8 726.9	9 210.6
B. Special-purpose				
Posts	267 213.8	276 469.4	277 755.5	292 965.7
Consultants and experts	40 106.9	45 610.1	60 517.6	60 171.6
Travel of staff	57 152.9	70 475.6	97 311.0	97 554.0
Contractual services	75 101.0	97 542.2	82 229.3	86 371.4
General operating expenses	66 948.9	62 950.3	89 955.9	87 310.7
Supplies and materials	11 292.5	11 565.8	8 773.1	16 475.3
Furniture and equipment	33 051.0	46 036.8	33 953.5	35 816.7
Grants and contributions	34 362.0	80 395.3	60 310.7	57 563.5
Subtotal, B	585 228.8	691 045.5	710 806.6	734 228.9
C. Programme support cost				
Posts	42 444.0	42 134.9	42 820.6	53 804.4
Other staff costs	2 444.3	4 377.8	5 209.7	5 193.3
Consultants and experts	159.0	159.0	159.0	244.0
Travel of staff	1 058.8	1 108.8	1 184.1	1 184.8
Contractual services	1 752.0	1 663.9	1 873.0	1 848.8
General operating expenses	3 197.5	3 671.0	3 671.0	4 899.1
Hospitality	4.0	6.6	6.6	16.0
Supplies and materials	56.2	56.6	56.6	68.4
Furniture and equipment	63.0	63.0	192.5	63.0
Contributions to joint services	453.6	455.2	503.7	585.4
Subtotal, C	51 632.4	53 696.8	55 676.8	67 907.2
D. Regular budget	47 211.7	47 211.7	47 211.7	47 627.4
Total (A+B+C+D)	692 799.8	800 680.9	822 422.0	858 974.0

Approval and endorsement process

11. As regards the approval and endorsement process for the general-purpose funds, special-purpose funds and programme support costs, the Advisory Committee was informed that, in accordance with General Assembly resolutions 46/185 C and 61/252, section XI, the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice were authorized to approve, on the basis of the proposals of the Executive Director, the budget of the programme, including its administrative and programme support cost budget. The Committee was informed that the distinction had been made between approval and endorsement in order to specify the nature of the resources presented for review and approval. The general-purpose funds were unearmarked voluntary contributions and were therefore presented to the Commissions for approval, while special purpose funds were earmarked voluntary contributions and their budget was therefore presented to the Commissions for endorsement.

12. The Advisory Committee was further informed that, since programme support cost funds were the charges collected on earmarked voluntary contributions in order to recover the additional indirect costs incurred in support of programme delivery financed from those contributions, the budget of programme support cost funds was also presented to the Commissions for endorsement. While endorsing the budget, the Commissions were able to discuss and make amendments to budget proposals as part of their deliberations. **The Advisory Committee notes the information regarding the distinction between approval and endorsement and the reasons for presenting the budgets of the special purpose funds and programme support cost funds to the Commission for endorsement rather than for approval.**

General-purpose funds

13. In her report, the Executive Director indicates that expenditure of \$9.2 million under the general-purpose funds is proposed to finance: (a) continued provision of resources for the Research and Trend Analysis Branch (\$2.7 million), the Drugs, Laboratory and Scientific Services Branch (\$1.1 million), the Crime Prevention and Criminal Justice Section (\$0.3 million) and the Border Management Branch (\$0.5 million); (b) continued funding of limited core functions, some normative work (\$0.4 million) and the New York liaison office (\$1.7 million); (c) continued provision of the amount of \$2.1 million to UNODC field offices in order to strengthen the Office's presence in the field and to respond to Member States' needs in key thematic areas; and (d) continued support in the implementation of the provisions of the United Nations Office at Vienna/UNODC Strategy for Gender Equality and the Empowerment of Women (2022–2026) (\$0.2 million) (E/CN.7/2023/13-E/CN.15/2023/17, para. 68).

14. Upon enquiry, the Advisory Committee was informed that the continuing low level of general-purpose funds presented significant challenges for UNODC, affecting its ability to respond to rapidly changing global priorities, deliver on global mandates and strengthen enablers of development. The Committee was further informed that other entities of the United Nations system had a significantly higher level of unearmarked voluntary contributions constituting more than 50 per cent of voluntary contributions, which enabled them to fund their management structure and corporate priorities (see also para. 7 above and paras. 39–41 below).

Special-purpose funds

15. Projected expenditure under the special-purpose funds for 2024–2025 comprises: (a) \$198.2 million under the drug programme fund, reflecting a decrease of \$28.7 million (or 12.7 per cent) compared with the revised budget for 2022–2023; and (b) \$536.0 million under the crime programme fund, reflecting an increase of \$71.9 million (or 15.5 per cent) compared with the revised budget for 2022–2023.

16. The decrease in the drug programme fund mainly reflects the anticipated reduction of programme activities in support of the development, implementation and monitoring of strategies for the reduction of illicit crops, alternative development and

comprehensive strengthening of the territories prioritized by the Government of Colombia. The increase in the crime programme fund reflects, inter alia, the launch of the UNODC Strategic Vision for Nigeria 2030 and higher anticipated programme implementation under the Global Maritime Crime Programme, the second phase of the Programme for Legal Empowerment and Aid Delivery in Kenya, the regional programme on countering transnational organized crime and illicit drug trafficking in East Africa, the Global Programme against Money-Laundering, Proceeds of Crime and the Financing of Terrorism, the Global Programme on Cybercrime, and the regional programme for South-Eastern Europe. The projections also reflect the completion of the project on the administration of justice in Kenya ([E/CN.7/2023/13-E/CN.15/2023/17](#), para. 70 and annex II).

17. Upon enquiry, the Advisory Committee was informed that the budget for special-purpose funds included direct support costs for the portion of field office budgets that was used to provide direct support to all projects and programmes implemented in field office locations. The direct support provided by field offices included direct support personnel costs relating to administration, programme coordination, security and facility staff of the main field office location and the related non-staff costs, such as official travel, premises, general operating costs, information technology, equipment and furniture. Those costs were proportionally cost-shared by all projects and programmes implemented in field offices (see also paras. 39–41 and 44 below).

Programme support cost funds

18. Projected expenditure under programme support cost funds for 2024–2025 is estimated at \$67.9 million, reflecting an increase of \$14.2 million compared with the 2022–2023 revised budget. Against the projected programme support income of \$70.2 million, the projected expenditure would allow adequate support for programme implementation and reduce risks by providing enhanced support for UNODC work in the field, oversight and improved indirect programme and administrative support ([E/CN.7/2023/13-E/CN.15/2023/17](#), para. 72). In her report, the Executive Director indicates the main changes reflected in the programme support cost budget for 2024–2025, as well as the distribution of resource requirements by source of fund and component of the budget (*ibid.*, para. 73 and tables 4 and 5; see also paras. 41 and 44 below).

Fund balances

19. Table 3 of the report of the Executive Director provides a summary of estimates for fund balances, income and expenditure for the biennium 2024–2025. In the report, the Executive Director indicates that the fund balances of general-purpose and programme support cost funds (unrestricted reserves) show projected figures of \$22.7 million and \$56.4 million, respectively, at the beginning of the biennium 2024–2025. United Nations financial policies require that general-purpose and special-purpose funds maintain a reserve amounting to 15 per cent of estimated annual expenditure and that programme support cost funds maintain a reserve of 20 per cent of annual expenditure. The projected unearmarked fund balance for the biennium is \$81.4 million, encompassing both general-purpose and programme support cost funds, and slightly exceeds the full compliance level of \$62.5 million. Mitigation against the risk of programme delivery below the target and prudent financial management require UNODC to retain the current level of reserves ([E/CN.7/2023/13-E/CN.15/2023/17](#), para. 76, table 3 and annex III). **The Advisory Committee notes that the programme support cost funds maintain a reserve of 20 per cent and trusts that updated information will be provided in the next report.**

III. Staffing projections

20. Post requirements for UNODC for the bienniums 2022–2023 and 2024–2025 are provided in tables 2 and 5 of the report of the Executive Director. Table 3 below provides a summary of staffing projections by category.

Table 3
Staffing projections for 2022–2023 and 2024–2025

(Number of posts)

<i>Category</i>	<i>2022–2023</i>	<i>2024–2025</i>
General-purpose funds	18	18
Subtotal	18	18
Special-purpose funds		
Drug programme fund	140	131
Crime programme fund	360	378
Subtotal	500	508
Programme support cost funds	133	145
Regular budget	125	125
Total	776	796

21. In her report, the Executive Director indicates that the posts for 2024–2025 include those administered by UNODC and funded from special-purpose funds as of May 2023. In addition to posts funded from special-purpose funds that are included in the staffing tables as of May 2023, there were 1,511 field office local positions (85 National Professional Officer and 120 General Service (Local level) posts and 1,306 service contracts) administered by the United Nations Development Programme (UNDP) on behalf of UNODC. Many of those posts are of a temporary nature and their level is subject to frequent change ([E/CN.7/2023/13-E/CN.15/2023/17](#), table 5).

22. In her report, the Executive Director indicates that UNODC continues to make efforts to decrease the percentage of non-staff personnel compared with staff. As at 31 December 2022, the number of staff (Professional and higher, General Service and National Professional Officers) rose to 884 (from 778 as at 31 December 2021), and to 890 as at 30 June 2023, an increase of approximately 14 per cent compared with 31 December 2021. Over the same period, the number of non-staff personnel (service contractors, consultants, individual contractors and United Nations Volunteers) decreased to 2,244 as at 31 December 2022 and to 2,221 as at 30 June 2023, representing reductions of 12 per cent and 13 per cent, respectively, compared with 2,552 as at 31 December 2021 (*ibid.*, annex V).

23. UNODC is also closely monitoring the duration of service contracts and is in regular contact with UNDP headquarters regarding the implementation of the new partner personnel services agreement modality in UNODC field offices. Following the implementation of the partner personnel services agreement modality for UNODC, UNDP will discontinue the use of the service contract modality, which will then no longer be available to UNODC and other UNDP partner agencies (*ibid.*, annex V).

24. Upon enquiry, the Advisory Committee was provided with the number of staff, and of non-staff personnel holding service contracts administered by UNDP, in the period from 2014 to 2025, by headquarters and field office, as shown in table 4 below. The Committee was also provided with information on the UNODC personnel, including by duty station, administered by UNDP in 2021, 2022 and as at 30 September 2023. The Committee notes that the number of non-staff personnel holding service contracts in field locations has increased from 1,181 in 2022–2023 to 1,306 in the 2024–2025 budget.

Table 4
Number of staff and non-staff personnel (service contracts administered by the United Nations Development Programme) in the period from 2014 to 2025, headquarters and field offices

Category	2014–2015	2016–2017	2018–2019	2020–2021	2022–2023	2024–2025
Headquarters						
Staff	453	303	470	492	557	539
Non-staff (service contracts)	-	-	-	-	-	-
Subtotal	453	303	470	492	557	539
Field offices						
Staff	252	466	314	313	413	462
Non-staff (service contracts)	1 275	1 103	1 125	1 386	1 181	1 306
Subtotal	1 527	1 569	1 439	1 699	1 594	1 768
Total	1 980	1 872	1 909	2 191	2 151	2 307

25. The Advisory Committee was also provided with information on plans by UNODC to reduce its reliance on non-staff personnel, including when longer-term projects and needs were identified. The Committee was informed of the increase of 40 per cent of staff in the field over five years and provided with information indicating that the total number of non-staff personnel had declined from 2,699 in 2022 to 2,345 in 2023, with a reduction in all three categories, namely, service contracts (from 1,296 to 1,241), United Nations Volunteers (from 224 to 186) and consultants (from 1,179 to 918). The Committee notes that the information did not include individual contractors, which, by the nature of their contractual arrangements, are deemed to fall under the category of contractual services. **The Advisory Committee notes the increase in the number of non-staff personnel holding service contracts in field locations from 1,181 in 2022–2023 to 1,306 in the 2024–2025 budget. The Committee recalls the reliance of UNODC on non-staff personnel for a long period of time and the increase in the percentage of non-staff personnel compared with that of staff working for UNODC. The Committee also recalls its previous recommendations that every effort be made to reduce the reliance on non-staff personnel and that UNODC make progress towards that end.**

26. The Advisory Committee was also informed that the ratio of staff to non-staff personnel was also impacted by the continuous growth of the United Nations Volunteers Programme in line with the Memorandum of Understanding signed by the Under-Secretary-General for Management and the Executive Coordinator of the United Nations Volunteers in 2018 with a view to strengthening collaboration in relation to Sustainable Development Goals 10, 16 and 17. With United Nations Volunteers now serving both in the field and at headquarters locations, that presented a great entry-level career opportunity for young professionals, who often did not yet possess the minimum years of experience required for staff positions. The Committee was provided with information regarding United Nations Volunteers as at 30 September 2023, including that, in 2022, actual disbursements to United Nations Volunteers had totalled \$7.8 million. The Committee notes that, of the 186 United Nations Volunteers indicated, a large number were from a limited number of countries. **The Advisory Committee notes the value of the United Nations Volunteers Programme in providing entry-level career opportunities for young professionals in UNODC and trusts that further efforts will be made to ensure a more equitable representation of countries.**

IV. Other matters

Equitable geographical representation

27. Upon enquiry, the Advisory Committee was provided with information on the current geographical representation of the category of UNODC professional staff and higher as at 30 September 2023, which was distributed as follows: 54 per cent from Western European and other States, 14 per cent from Asia-Pacific States, 13 per cent from African States, 10 per cent from Latin American and Caribbean States and 9 per cent from Eastern European States. The Committee was informed that, in order to further substantiate the progress made to date, UNODC was continuing its targeted outreach activities aimed at using the opportunity presented by current and future vacancies to recruit competent candidates from less represented regional groups and unrepresented and underrepresented countries. The Committee was provided with details of the targeted outreach activities aimed at recruiting competent candidates from less represented regional groups and unrepresented and underrepresented countries, as well as efforts to communicate with managers and personnel in UNODC field offices to provide guidance on recruitment processes, which were undertaken in order to tap into the talent pool of less represented regional groups and underrepresented countries.

28. The Advisory Committee was also provided with information on the geographical representation by regional group of the total of 2,223 staff members, of which 790 were from Latin American and Caribbean States, 596 from Asia-Pacific States, 392 from Western European and other States, 323 from African States, 121 from Eastern European States and 1 was stateless. Nevertheless, the Committee notes the continued prevalence of staff from the Western European and other States in the professional category. **The Advisory Committee notes the imbalance of geographical representation of staff in UNODC, trusts that UNODC will intensify its efforts to achieve a more equitable geographical representation of Member States among its staff and considers that vacancies provide a concrete opportunity to that end.**

Gender balance

29. Upon enquiry, the Advisory Committee was informed that, as at 23 October 2023, 50 per cent of the 506 posts in the Professional and higher categories were encumbered by women and 50 per cent by men. The Committee notes the gender balance attained by UNODC.

Junior Professional Officers

30. Upon enquiry, the Advisory Committee was provided with information regarding the number of Junior Professional Officers recruited by UNODC each year in the last five years, which was as follows: 28 (2019); 37 (2020); 31 (2021); 36 (2022) and 29 (as at 31 August 2023). The Committee notes that a significant number of Junior Professional Officers are recruited annually from a limited number of donor Member States, mostly Western European States and Asian States. **The Advisory Committee encourages efforts to enhance the representation at UNODC of young people, especially from underrepresented and unrepresented Member States, and trusts that UNODC will seek additional voluntary contributions to support the Junior Professional Officers Programme.**

Interns

31. Upon enquiry, the Advisory Committee was informed that the total number of people recruited each year from 2019 to 2023 for internship positions in UNODC came to 128 in 2019, 123 in 2020, 158 in 2021, 159 in 2022 and 109 as at 31 August 2023. The Committee notes the relatively wide distribution in the nationality of interns in the past five years, albeit with a certain concentration of internship positions held by nationals from a limited number of countries.

People Management Index

32. In her report, the Executive Director indicates that, as regards United Nations management reform, since the launch of the new system of delegation of authority in January 2019, the Executive Director has entrusted UNODC programme managers with the authorities delegated to her by the Secretary-General and has overseen their effective execution. UNODC will continue to collaborate closely with the Department of Management Strategy, Policy and Compliance on the development of improved tools, targeted guidance and analyses to ensure that performance is visible and that issues are identified and addressed at the entity level, with clearer escalation measures. Those efforts will be aimed at enhancing decision-making processes with real-time, user-friendly access to data and improving the management of risks. They will also contribute to enhancing performance management, together with the agile system of performance management, which fosters an ongoing dialogue between managers and staff, and the roll-out of the People Management Index (E/CN.7/2023/13-E/CN.15/2023/17, paras. 43 and 44).

33. Upon enquiry, the Advisory Committee was informed that the People Management Index was a feedback mechanism that enabled upward feedback opportunities ahead of end-of-cycle reviews and helped to establish a culture of two-way feedback. The People Management Index also cultivated a growth mindset, identified areas of strength and development, and increased managerial accountability. The Committee was also informed that the People Management Index, which was first piloted in the 2021/2022 performance cycle among all staff at the D-1 and D-2 levels and then expanded to all levels of staff with supervisory roles in the 2022/2023 performance cycle, applied to all staff members with fixed-term, continuing or permanent appointments who were responsible for supervising more than four staff members, and that it consisted of a 12-item questionnaire that focused on effective people management and served as one of the elements to be considered in the final evaluation of managers. The Committee notes the features of the People Management Index, particularly the two-way feedback approach and the emphasis on increased managerial accountability.

Status of implementation of outstanding recommendations

34. Annex V to the report of the Executive Director includes information on the follow-up actions taken to implement relevant recommendations of the Board of Auditors (E/CN.7/2023/13-E/CN.15/2023/17, annex V). As at 31 December 2022, of 33 recommendations related to prior years, 22 had been implemented, 2 had been overtaken by events and 9 were outstanding. The Board acknowledged the progress made by management towards implementing the Board's recommendations, especially those issued in report A/77/5/Add.10, chapter II, for which the implementation rate came to 81 per cent (A/78/5/Add.10, paras. 7 and 8 and table II.1). Upon enquiry, the Advisory Committee was provided with a summary by the Internal Audit Division of the Office of Internal Oversight Services of recommendations that were outstanding as at June 2023 and their implementation status, and the Committee notes that most of the recommendations have a target implementation date between December 2023 and June 2024. **The Advisory Committee expects that all outstanding recommendations will be implemented within the agreed time frames.**

United Nations Office on Drugs and Crime funding model

35. Paragraphs 29 to 34 of the report of the Executive Director provide information on the changes to the UNODC funding model that, in view of the persistent deterioration in general-purpose income and the continuing pressure on regular budget and programme support cost funds, were introduced during the biennium 2014–2015 by linking technical assistance activities to a system of full cost recovery for costs incurred in field offices in the administration of all extrabudgetary contributions, including in joint programmes.

36. In the report, the Executive Director indicates that UNODC conducted a review on the use of programme support cost funds with a view to using those funds more flexibly and effectively in support of programmatic work at headquarters and in the field. UNODC is proposing to increase the portion of programme support cost funds dedicated to field offices in order to ensure that field office structures respond to actual programme needs, including through a clear categorization of field offices. One of the outcomes was the updating of the Office's nomenclature for its field office network, typologies, scope and functions, with a view to enhancing management and accountability in the field and bringing coherence and rationale to the UNODC field presence. In the report, the Executive Director also indicates that interdivisional missions were conducted in 2022 and 2023 to evaluate the impact of field office activities, their alignment with UNODC strategic priorities, their effectiveness in delivering results on the ground, and how to improve the administrative support that they receive from headquarters, as well as to assess the structure of field offices in terms of operational capacity, resources and coordination mechanisms to support the implementation of the Office's programmes.

37. Upon enquiry, the Advisory Committee was informed of the review undertaken and the related changes to the funding model, which are summarized as follows: in 2014, UNODC introduced changes to its funding model by linking its technical assistance activities to a system of full cost recovery for costs incurred in field offices in the administration of all extrabudgetary contributions; in 2018–2019, it was acknowledged that field office representatives were contributing to overarching functions, and at the time that contribution was estimated at 20 per cent of the costs of field office representatives to be associated with corporate functions (central programme administration, resource mobilization and programme development) and thus funded by programme support funds; in 2020–2021, the funding model was further adjusted by recognizing increased overarching functions and increasing to 60 per cent the share of field office representative costs to be associated with corporate functions and thus funded by programme support funds; and in 2022–2023, UNODC further refined its funding model and introduced a broader distribution of programme support costs to the field, with a gradual increase of the share allocated to the costs of field office representatives from 60 per cent in 2022 to 75 per cent in 2023 and further increases projected, to 85 per cent in 2024 and 100 per cent in 2025.

38. The Advisory Committee was informed that, in the 2024–2025 biennium, UNODC would continue to assess its field office structure and needs, transparently cost programme activities, examine and monitor its costs, and apply risk management, which might lead to further adjustments in future bienniums. The result of the field office review was a standardization and streamlining of field office core work and functions and the inclusion of updated terms of reference in the nomenclature of the field office network to account for the changes that had taken place in the global, regional and country contexts, including the United Nations system-wide reforms and the mutual accountability framework.

Cost recovery and programme support cost funds

39. Upon enquiry, the Advisory Committee was informed that the purpose of programme support cost funds was to cover incremental indirect costs incurred in supporting activities financed from extrabudgetary contributions, including costs incurred by services providing administrative and other support functions to a range of operations, programmes and projects. The Committee was provided with a summary of resource projections, as set out in table 5 below, and was informed that, in terms of the growth in the total budget for 2024–2025, UNODC had witnessed significant growth in its technical cooperation programmes, with an increase of 62.8 per cent in the budget for special purpose funds, from \$451.8 million in 2014–2015 to a projected \$734.8 million in 2024–2025. Proportionally, the budget for programme support cost funds, which provided for the additional required support services, had increased by 67.7 per cent. The Committee was also informed of the efforts by UNODC to improve organization-wide quality assurance processes and to

balance efficient management practices and cost optimization to ensure that management costs remained proportional to the growth of the budget. **The Advisory Committee notes the increase in the budget for programme support cost funds for 2024–2025 and that the additional cost of supporting activities financed from extrabudgetary contributions is not borne by assessed funds or other core resources central to the programme budget of the United Nations Secretariat.**

Table 5
Summary of resource projections, 2014–2015, 2022–2023 and 2024–2025

(Millions of United States dollars)

<i>Fund category</i>	<i>2014–2015 (actual)</i>	<i>2022–2023 (initial)</i>	<i>2022–2023 (revised)</i>	<i>2024–2025 (initial)</i>
Special-purpose funds (SP)	451.0	585.2	691.0	734.3
Programme support cost funds (PSC)	40.5	51.6	53.7	67.9
General-purpose funds (GP)	15.3	8.7	8.7	9.2
Regular budget (RB)	42.6	47.2	47.2	47.6
Total	549.4	692.7	800.6	859.0
Proportion (PSC+GP)/total	10.2%	8.7%	7.8%	9.0%

40. Upon enquiry, the Advisory Committee was provided with a breakdown of increases under programme support cost and general-purpose funds by expense category (post and non-post) for headquarters and field offices, as shown in table 6 below. The Committee was also informed that the allocation of additional programme support cost funds to field offices was expected to make funds available for programme activities and that the proposal for increased programme support for 2024–2025 reflected the following:

(a) Strengthened support to field operations and additional resources to enhance the capacity of the Office to implement its growing technical cooperation programme (an increase of \$3.0 million);

(b) Strengthening of the capacity to implement corporate initiatives such as gender mainstreaming and human rights, strategic planning, policy and donor engagement, evaluation, advocacy and communication, and the advancement of the research and analysis capacity, as well as of central coordination capacity and thematic oversight (an increase of \$2.8 million);

(c) Strengthening of central administrative support, oversight and coordination, to enable timely responses and follow-up on complex queries for efficient programme delivery at headquarters and in the field (an increase of \$2.8 million);

(d) Increases in the shared corporate support costs attributable to Umoja business support and maintenance and to services provided globally by the United Nations Secretariat (an increase of \$1.1 million);

(e) Adjustment for costing factors as a result of inflation (an increase of \$4.5 million).

Table 6
Breakdown of increases under programme support cost and general-purpose funds by post and non-post category for headquarters and field offices (regional and country offices)

(Thousands of United States dollars)

	<i>Expense category</i>	<i>2022–2023 (revised)</i>	<i>2024–2025 (initial)</i>	<i>Variance</i>	<i>Variance (percentage)</i>
A. General-purpose funds					
Headquarters	Post	5 881.5	6 257.0	375.5	6.4
	Non-post	723.8	832.0	108.2	14.9
Subtotal, headquarters		6 605.3	7 089.0	483.7	7.3
Regional and country offices	Post	-	-	-	-
	Non-post	2 121.6	2 121.6	-	-
Subtotal, regional and country offices		2 121.6	2 121.6	-	-
Subtotal, A		8 726.9	9 210.6	483.7	5.5
B. Programme support cost funds					
Headquarters	Post	36 567.6	45 128.9	8 561.2	23.4
	Non-post	10 561.9	13 102.8	2 540.9	24.1
Subtotal, headquarters		47 129.5	58 231.7	11 102.1	23.6
Regional and country offices	Post	5 567.3	8 675.5	3 108.2	55.8
	Non-post	1 000.0	1 000.0	-	-
Subtotal, regional and country offices		6 567.3	9 675.5	3 108.2	47.3
Subtotal, B		53 696.8	67 907.2	14 210.3	26.5
Total (A+B)		62 423.7	77 117.8	14 694.0	23.5

41. While noting the information provided and the breakdown of funds and post and non-post resources, the Advisory Committee notes that the purpose of programme support cost funds is to cover incremental indirect costs incurred in supporting activities financed from extrabudgetary contributions, and that the budget for programme support cost funds has increased in tandem with the increase in funding for UNODC technical cooperation programmes. The Committee is therefore of the view that greater distinction of the expenditure categories is required and that all voluntary contributions, whether earmarked, unearmarked or other, should reflect a clear distinction between overall administrative costs and programme support charges levied to recover the additional costs incurred in support of programme delivery. The Committee trusts that additional clarification and information regarding the distribution of administrative costs from programme support charges as compared with programmatic activities under general-purpose, special-purpose and programme support cost funds will be provided to the Commissions during their consideration of the present report and in future budget reports.

Regional and field presence

42. Upon enquiry, the Advisory Committee was provided with information on UNODC programmes and projects by region and country office and was informed of the Office's presence, programmes and interventions in the last five years in support of least developed countries, landlocked developing countries and small island developing States regarding the employment of peace, security and development responses within the breadth of the Office's mandate areas and in the context of the implementation of their respective programmes of action. In terms of the UNODC Strategic Vision for Africa 2030, the Committee was informed of the consultation with the African Union, and that in the three years prior to the launch of the Strategic Vision, UNODC had implemented an average of \$80 million in funding per year in

Africa. Since the launch of the Strategic Vision, the Office's implementation in Africa had risen by \$20 million, to \$100 million in 2022, with a similar increase forecast for 2023. The Committee was provided with information on the highlights of the work carried out since the launch of the Strategic Vision and was informed that UNODC was fostering a continental approach and the involvement of youth as an accelerator of impact by appointing a youth adviser for the continent, to be based in Pretoria, with a view to mainstreaming youth empowerment and engagement across the Office's work in Africa.

43. As regards the field presence of UNODC in Latin America and the Caribbean, the Advisory Committee was informed that UNODC technical assistance in the region related to border management, maritime crime, criminal justice, trafficking in persons and the smuggling of migrants, organized crime, firearms, e-learning and gender-based violence. Furthermore, the UNODC programme office in Haiti had been established in 2022 with the support and financial contribution of the Government of Haiti. It was supported by the UNODC Regional Office for Central America and the Caribbean in terms of key operational processes such as procurement and human resources. The Committee was informed that the technical assistance programme portfolio for Haiti was funded through voluntary contributions aimed at addressing border management, money-laundering, criminal justice, anti-corruption, maritime crime, trafficking in persons and the smuggling of migrants. To mitigate the impact of the current situation in the country, UNODC workplans and implementation approaches took into account security concerns and the capacity of national stakeholders to implement technical assistance. The Committee was also informed that UNODC had received a strong mandate from the Security Council, intended to sustain its presence in order to deliver on its mandate and had been present in Haiti throughout the security-related reduction of the United Nations presence in the country in 2022. **The Advisory Committee notes the regional and field presence of UNODC, including the established programme office in Haiti, and emphasizes the continued need for a regional and country presence in support of least developed countries, landlocked developing countries and small island developing States.**

Support to field offices

44. As regards support to field offices, the Advisory Committee was informed that the main administrative support functions of the United Nations Office at Vienna/UNODC were provided by the Division for Management in Vienna to all field office locations, thereby ensuring the promulgation of policy guidance, consistency in application, oversight and control. The Committee was informed that administrative functions had been decentralized in field offices in cases where duplicate administrative structures would not result. With regard to procurement, overall supervision was provided by the Procurement Unit in Vienna following the subdelegation of procurement authority to major field offices. The Committee was also informed that UNODC sourced equipment from the strategic deployment stocks available in the United Nations Logistics Base catalogue and had specialist capacity in the form of a Procurement Officer (P-4) located in Panama who supported regional UNODC field offices. Furthermore, the unit of the Information Technology Service located in the United Nations House in India coordinated activities with field offices, provided technical support and performed other duties, such as providing e-learning solutions, as well as automation solutions for internal coordination activities. **The Advisory Committee notes that UNODC also intends to strengthen grant management in field offices and trusts that an update including other initiatives in support of field offices will be included in the next budget report.**

Field capacity-building and training needs

45. As regards field capacity-building and training needs, the Advisory Committee was informed that UNODC extrabudgetary resources were geared towards a variety of activities and products related to technical assistance and cooperation, including

advisory services, advisory missions, field projects, capacity-building events and knowledge products. The Committee was also informed that the Office's field capacity-building and training efforts extended across all five thematic areas of the UNODC Strategy 2021–2025, namely, addressing and countering the world drug problem, preventing and countering organized crime, preventing and countering corruption and economic crime, preventing and countering terrorism, and crime prevention and criminal justice. Training was conducted through UNODC global, regional and country programmes and was designed in consultation with Member States and delivered jointly with other United Nations agencies, as applicable. The Committee notes that UNODC also supports the capacity-building and training needs of Member States in relation to research and laboratory services and that about 69.4 per cent of all UNODC resources are implemented in the field.

United Nations development system reform

46. In paragraphs 35 to 42 of her report, the Executive Director refers to the engagement of UNODC in the Secretariat-wide initiative of United Nations development system reform in terms of the roll-out and implementation of the United Nations Sustainable Development Cooperation Framework across regions in response to national priorities, and in efforts to achieve the Sustainable Development Goals. According to data from the Development Coordination Office, 26 cooperation frameworks were launched in 2022 and 37 cooperation frameworks will be initiated in 2023. It is envisioned that all countries will have a new generation of cooperation frameworks by the end of 2023. UNODC is engaged in a review of those frameworks through the relevant peer support groups. As of July 2023, the Office provided support for 149 countries and territories, either through cooperation frameworks or through common country analyses, and was part of 110 United Nations country teams (of the 131 country teams that existed worldwide).

47. In her report, the Executive Director also indicates that UNODC is represented in 75 per cent of all cooperation frameworks, and that in 2023 UNODC participated in the development of 11 sustainable development cooperation frameworks, thus contributing to a total of 64 cooperation frameworks from 2021 to July 2023. Upon enquiry, the Advisory Committee was informed that, as of September 2023, UNODC was present in 97 countries and territories and had a non-physical presence in 52 countries. **The Advisory Committee trusts that UNODC will continue its engagement with the resident coordinator system and United Nations country teams in support of countries with vulnerable economies and countries facing significant challenges, in particular least developed countries, landlocked developing countries and small island developing States.**