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Draft report

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Addendum

Administrative and budgetary questions

1. At its 1293rd meeting, on 13 March 2008, the Commission considered agenda item 9, entitled “Administrative and budgetary questions”. For its consideration of the item, the Commission had before it the following documents:

(a) Report of the Executive Director on financial issues and difficulties faced by the United Nations Office on Drugs and Crime in implementing its mandates and an initial assessment of the ways and means of improving the financial situation (E/CN.7/2008/11-E/CN.15/2008/15);

(b) Report of the Executive Director on programmes and initiatives to be implemented by the United Nations Office on Drugs and Crime in the bienniums 2008-2009 and 2010-2011 (E/CN.7/2008/12-E/CN.15/2008/16).

2. The Director of the Division for Management made an introductory statement. Statements were made by the representatives of the United States, Australia, the Islamic Republic of Iran and Cuba. Statements were also made by the observers for South Africa, Kenya and Sweden.

3. A representative of the Secretariat introduced the item and noted that UNODC, despite having an integrated programme of work, had separate voluntary funds for its drug programme and its crime programme and that the budget for each of those programmes was approved by the appropriate Commission; the General Assembly, however, approved an integrated regular budget for the drug and crime programmes. Each voluntary fund had three components: general-purpose (or unearmarked) funds, special-purpose (or earmarked) funds and programme support charges collected on special-purpose funds. It was pointed out that the level of unearmarked contributions did not match the requirements of the Office, especially with regard to



the field office network. A breakdown of the consolidated budget funding by source was provided, showing that 81 per cent of that funding came from special-purpose funds (including programme support charges), 19 per cent from general-purpose funds and 11 per cent from the regular budget of the United Nations. The level of the general-purpose funds was not sufficient to support the implementation and sustainability of the activities of UNODC currently funded by special-purpose resources. The speaker noted that special-purpose funds had grown considerably – which was viewed as reflecting the confidence of Member States in the programmes – but funding from the regular budget had remained static in absolute terms and general-purpose funds had declined. Therefore, the issue was not the overall funding level but the funding mix. It was noted that the decline in both absolute and relative terms in general-purpose funds and the ongoing dependence on a small number of donors had created special challenges. It was pointed out that, in the report of the Executive Director on financial issues and difficulties faced by UNODC (E/CN.7/2008/11-E/CN.15/2008/15), the Executive Director had mentioned a number of possibilities for addressing those challenges and had proposed the establishment of an informal working group to assess the situation and to chart the way forward.

Deliberations

4. Speakers expressed support for the programmes carried out by UNODC. Importance was attached to the strategy for the period 2008-2011 for UNODC as the basis for the prioritization of existing programmes and activities, rather than expansion into new areas for which there was no stable, sufficient funding base. Some speakers mentioned that programmes not within the framework of the strategy and those lacking prospects for funding should be eliminated. With regard to the idea of an indicative scale for voluntary contributions, one speaker stressed that voluntary contributions should remain voluntary. Another speaker expressed the view that funding levels should be in line with the activities in the specific country and region and that the funds allocated to UNODC from the regular budget should be increased. In that regard, it was suggested that Member States should urge their representatives at United Nations Headquarters to follow up on and support the allocation of more adequate funding to UNODC from the regular budget of the United Nations. One speaker expressed concern that, despite the adoption of a strategy, funding was not fully aligned with that strategy and sufficient general-purpose funding was not forthcoming. It was noted that the concerns about the appropriate funding levels for UNODC needed to be considered in the broader context of its governance and mandate.

5. One speaker stated that the fragmented budget and funding structure of UNODC did not correspond to the reality of a unified office and strategy on drugs and crime. The increase in special-purpose funds, the decrease in general-purpose funds and the reliance on a small number of donors were seen as worrisome developments as they might induce distortions in the priorities of the Office.

6. One speaker noted with interest the idea of the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice holding a joint session to review the consolidated budget, as suggested in the report of the Executive Director on financial issues and difficulties faced by the Office

(E/CN.7/2008/11-E/CN.15/2008/15), and saw that as a possible way to increase efficiency. Another speaker stressed that the results of the implementation of the recommendations made by the Independent Evaluation Unit should be shared with Member States. One speaker proposed that the programme support charges from projects in a given country or region should be allocated to the UNODC office in that country or region. In that connection, the representative of the Secretariat explained that only a handful of field offices were currently generating a surplus in funds from programme support charges, which were being used to subsidize offices with insufficient programme volumes in other regions. The representative of the Secretariat referred to exceptions to the standard percentage of 13 per cent for programme support charges. In such cases, UNODC had tried to ensure that most of its costs were recovered, as authorized by the Commission on Narcotic Drugs by directly charging a fair share of those costs to the respective projects and by instituting a reduced percentage for the programme support charge in agreement with the donors and implementing partners.
