

FUNDRAISING STRATEGY 2012-2015

**UNITED NATIONS OFFICE ON DRUGS AND CRIME
(UNODC)**

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The Fundraising Strategy 2012-2015 was presented to and approved by UNODC's Executive Committee on 7 May 2012.

It was also presented to the Intergovernmental Working Group on Governance and Finance (FinGov) on 23 May 2012.

The Fundraising Strategy provides a baseline and multi-year framework for core functions and regional/thematic programme funding.

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Management & Coordination:
(Co-Financing and Partnership Section/UNODC)

Johan Weijers

Contributors:

Igor Kondratyev

Alexandra Orlova

Mathew Cheriankalayil

This document has not been formally edited

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LIST OF ABBREVIATIONS

CCPCJ	Commission on Crime Prevention and Criminal Justice
CEB	Chief Executive Board
CEB	Corruption and Economic Crime Branch
CND	Commission on Narcotic Drugs
CPS	Co-financing and Partnership Section
DAC	Development Assistance Committee
DHB	Drug Prevention and Health Branch
DM	Division for Management
DO	Division for Operations
DPA	Division for Policy Analysis and Public Affairs
DTA	Division for Treaty Affairs
ECOSOC	Economic and Social Council
EU	European Union
ExCom	Executive Committee
FADP	Funding Agreement and Donor Profile
FOs	Field Offices
FRMS	Financial Resources Management Service
GDP	Gross Domestic Product
GP	General Purpose Fund
HQs	Headquarters
HRMS	Human Resources Management Service
IDA	International Development Association
IEU	Independent Evaluation Unit
IFIs	International Financial Institutions
IGOs	Inter-Governmental Organisations
INCB	International Narcotics Control Board
IPB	Integrated Programme and Oversight Branch
ITS	Information Technology Service
JIU	Joint Inspection Unit
JS	Justice Section
MDTFs	Multi-Donor Trust Funds
OCB	Organised Crime and Illicit Trafficking Branch
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OED	Office of the Executive Director
OIOS	Office of International Oversight Services
PAB	Public Affairs and Policy Support Branch
PRC	Programme Review Committee
PSC	Programme Support Cost
RAB	Research and Trend Analysis Branch
RB	Regular Budget
RBM	Result Based Management
RCEAP	Regional Centre for East Asia and the Pacific
ROEA	Regional Office for Eastern Africa
ROMENA	Regional Office for the Middle East and North Africa
ROSA	Regional Office for South Asia
ROSAF	Regional Office for Southern Africa
SG	Secretary General
SGB	Secretariat Governing Bodies
SP	Special Purpose Fund
TA	Technical Assistance
TPB	Terrorism Prevention Branch
UNCAC	United Nations Convention against Corruption
UNDAF	United Nations Development Aid Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNGA	United Nations General Assembly
UNODC	United Nations Office on Drugs and Crime
UNOV	United Nations Office Vienna
UNTOC	United Nations Convention against Transnational Organised Crime
WB	World Bank
XB	Extra Budgetary resources

EXECUTIVE SUMMARY

UNODC has a wide-ranging mandate to counteract at a global level illicit drugs and transnational organised crime, corruption and terrorism with the aim to promote health, justice and security. Its Member States have agreed on a medium-term strategy (2012-2015) and an integrated programme and budget approach to implements these mandates. The consolidated budget for the biennium 2012-2013 amounts to \$561.5 million¹.

UNODC has seen an exponential growth in the volume and scope of its technical assistance programmes, highly leveraged through mostly earmarked extra-budgetary (XB) funding which has highlighted the relevance of the Office in the international policy agenda but also exposed the limitations with regard to its core infrastructure and systems. A key objective of the fundraising strategy is therefore to secure a sustainable balance between core and programme funding to ensure that expectations with regard to cost efficiency, programme expansion and delivery capacity can be met. The Joint Inspection Unit (JIU) and the Office of Internal Oversight Services (OIOS) recommended that UNODC should formulate a fund-raising strategy to further enlarge its donor base and to review both the funding model and cost structure of the Office by addressing the issue of core functions linked to a system of direct cost recovery².

Key intrinsic determinants for successful resource mobilisation are institutional efficiency, effectiveness and performance (impact). At the same time, the external funding environment for multilateral aid is such that UN Funds and Programmes receive an ever lower share of core funding, while non-core (earmarked) funding has been rapidly increasing. The combined income from regular budget (RB) and general purpose (GP) income relative to the overall RB/XB budget declined from 33.5 per cent (2002-2003) to 11.8 per cent (2012-2013). The implications of this accelerating trend in earmarking are *inter alia* a lack of predictability in funding, administrative inefficiency and a distortion of programme priorities and core policies. Increasingly, UNODC has to manage a “double earmarking” donor approach involving policy level conditionality (project-specific activities within regional and thematic programmes) as well as technical level compliance with bilateral performance, reporting and accountability criteria.

The development of the UNODC resource base follows the general funding pattern of UN Funds and Programmes. Its regular budget share has increased fractionally in nominal terms, but decreased sharply relative to the overall budget. Extra-budgetary funding has tripled since 2002 to a level of \$487 million in 2010-2011 primarily because of the steep increase in special purpose or earmarked funding. General purpose funding, as a ratio of special purpose (SP) funding, declined significantly both in nominal and relative terms, i.e. from 26.9 per cent (2002-2003) to less than 5 per cent (2012-2013).

Overall, the UNODC resource base shows a tangible trend towards diversification involving 133 donor organisations in the last biennium alone. Compared to 2002, when the lion’s share of voluntary funding (95%) came from the major donors group, in 2010-2011 a far more balanced picture has emerged among the major donors, emerging and national donors, UN agencies, international organisations and the private sector.

¹ The regular budget share is 15.3 per cent which is shared between UNOV (Section 29) and UNODC (Sections 1, 16 and 22). The UN General Assembly slightly modified the final approved regular budget amounts which however do not materially affect the analysis in this document.

² JIU/REP/2010/10 and OIOS, February 2011 (AE2010/360/01).

The fundraising strategy focuses on three key elements: i) the establishment of a multi-year funding framework and baseline for the thematic and regional programmes; ii) a guidance on possible funding mechanisms to sustain the core infrastructure and delivery capacity of the Office; and iii) the organisational aspects for the effective coordination of the fundraising functions.

With regard to the thematic and regional programmes, a methodological analysis of key operational priorities -in accordance with the respective programme structures and based on the 2012-2103 budget - resulted in baseline benchmarks that will guide the specific funding strategies for each programme. This chapter also highlights the differential approach towards the various regional and country-specific priorities and some of the dynamics that interact between thematic and regional programmes. Overall programme delivery for 2012-2015 is estimated at \$1.5 billion, of which two-thirds through regional and country programmes. Discounting presently available funds, the overall resource mobilisation target is \$966 million for the same period.

The chapter on the core funding strategy provides an in-depth analysis of the evolving business model of UNODC which shows a dynamic growth in technical assistance delivery in parallel with a static and increasingly dysfunctional funding model in respect of the core capacity required to deliver and account for such high volumes of technical assistance. Next, it aims to set a framework for a core funding strategy comprising:

- i) Continued high-level policy consultations to increase the regular budget resource base for mandated technical assistance core functions;
- ii) Based on an in-depth budget analysis, identify critical core technical assistance functions and create an institutional benchmark framework for core funding in support of technical assistance delivery;
- iii) Adoption of an institutional mechanism in respect of core resource planning, monitoring and risk management;
- iv) Establishment of a system for full direct programme cost recovery in respect of extra-budgetary funded technical assistance activities.

Based on the above analysis, the document argues the case for a higher share of core funding and proposes four possible mechanisms to achieve that goal:

- i) a biennial replenishment process (“Appeal”) linked to the UNODC budget cycle;
- ii) application of a fixed GP share to voluntary donor pledges (“shared responsibility”);
- iii) application of a fixed percentage in “soft-earmarking” to every voluntary donor pledge to allow the sustainability of core policy support functions; and
- iv) the introduction of a voluntary indicative scale of contributions.

The organisational aspects of the fundraising functions highlight the central role of the *Co-financing and Partnership Section* in driving institutional coherence at three key levels of the fundraising strategy: i) policy dialogue and strategic partnering; ii) directing and managing donor relations; and iii) accountability and funds management. It also underlines the crucial role of coordinating fundraising initiatives with the field offices in close consultation with the Integrated Programming Branch, Division for Operations.

I. BACKGROUND AND CHALLENGES OF UNODC FUNDRAISING

1. The rationale for a fundraising strategy

UNODC is a global front-runner in the efforts to counteract illicit drugs, crime, corruption and terrorism by promoting health, justice and security. It was established in 1997 through a merger between the United Nations Drug Control Programme and the Centre for International Crime Prevention but only exists in its present structure since 2002.

UNODC has a diversified mandate and accordingly it assists Member States in their struggle against illicit drugs, crime, corruption and terrorism. In the Millennium Declaration³, Member States resolved to intensify efforts to fight transnational crime in all its dimensions, to redouble the efforts to implement the commitment to counter the world drug problem and to take concerted action against international terrorism.

The UNODC governance framework includes various bodies. It is guided by the UN General Assembly (UNGA) and ECOSOC through the Commission on Crime Prevention and Criminal Justice (CCPCJ) and the Commission on Narcotic Drugs (CND). In more recent years, the Conference of the Parties to the United Nations Convention against Transnational Organized Crime and the Conference of the Parties to the United Nations Convention against Corruption have complemented the governance structure of UNODC.

A Working Group was set up in 2008 jointly by CCPCJ and CND to explore ways of “improving the governance and financial situation of UNODC”. The Working Group recommended, in its report adopted by resolution 52/13 of CND and resolution 18/3 of CCPCJ that “the Joint Inspection Unit and the Office of the Internal Oversight Service should also closely monitor the performance of the UNODC, and relevant JIU reports and the summary of relevant OIOS reports should also be submitted to the Commissions.”

UNODC consists of three Divisions: Operations; Policy Analysis and Public Affairs; and Treaty Affairs. It shares with UNOV the Direction of Management three specific programme support services: Financial Resource Management, Human Resource Management and Information Technology Services.

UNODC operates in more than 150 countries through one Regional Centre (East Asia and the Pacific), 10 regional offices (Asia 2; Africa & Middle East 4; Latin America 4) and various country and programmes offices. It also has liaison offices in Brussels and New York.

The UNODC budget structure and its funding model – regular budget (<10%) and extra-budgetary sources (>90%) – emanate from a historical process whereby two different functions, each with their own dynamics, have defined the actual business model of UNODC:

1. Office of the UN Secretariat – primarily focusing on treaty-based and normative functions based on political mandates received from the United Nations General Assembly (UNGA)⁴;
2. Provider of technical cooperation services – capacity building support, including policy advice, research and training in substantive and technical priority areas as mandated by CND and CCPCJ.

The governance structure of UNODC was established to serve the first function, however inherently also serves the second function which has different requirements in terms of programme development and project cycle management. For both UNODC functions, the process by which resource requirements are identified and actual funding is provided also differ significantly.

³ Millennium Summit, 6-8 September 2000, called by the UN General Assembly (the “Millennium” Assembly).

⁴ UNGA also regularly adopts resolutions on the Crime Programme and related technical assistance functions.

The UN Secretariat function implies a process of strict “hard earmarking” by which strategic priorities are decided at the political level (UNGA) and the development of policies, the identification of technical needs and the establishment of regular budget resource requirements, mostly staffing, are initiated and defined at the level of the governing bodies (CND & CCPCJ).

The technical cooperation function emanates from resolutions and decisions in the CND & CCPCJ, however the identification of operational priorities and the implied resource requirements are the subject of an “open-ended” process whereby donors provide extra-budgetary funding – either earmarked, un-earmarked or soft earmarked – to align their bilateral policy priorities with the medium-term multilateral goals of the Office. As a consequence, there is a strong donor-driven bias in the funding model of technical cooperation services⁵. Considerations in terms of planning and sustaining the core infrastructure needed to develop, implement and manage the technical assistance programme are of a subordinated nature.

In view of the exponential growth in the volume and variety of the UNODC technical assistance programme over the past six years (and still continuing), the question whether the technical cooperation function should remain an integral part of the UNODC business model has been answered by implication. Complementing its funding from the regular budget of the United Nations, UNODC is currently financed over 90 % by voluntary contributions⁶ from Member States, UN Agencies, inter-governmental organizations, international financial institutions and private donors, including private sector entities and foundations.

A comprehensive funding strategy for UNODC is needed to help: i) to bridge the existing governance deficit, i.e. to align the planning cycle for the regular budget with the programme and budget cycle of the governing bodies (CND & CCPCJ); ii) to assure the sustainability and predictability of core funding for the technical cooperation programme; and iii) to ensure the effective delivery of the integrated programme approach (i.e. thematic and regional programmes).

2. Fundraising – the UNODC context

Resource mobilisation⁷ is a key corporate function with the objective to enable strategic policy and operational priorities to be implemented in a coherent, predictable and sustainable manner. This straightforward definition conceals a rather complex horizontal policy support function that touches on all aspects of the institutional business cycle: governance and policy decision-making, corporate planning and budgeting, resource allocation, programme delivery and management.

Indeed, apart from external factors⁸, one can state that in essence the credibility and success of resource mobilisation efforts depend on three critical factors: the quality of the institutional process (efficiency), the quality of the institutional output or product (effectiveness) and their combined delivery impact (performance). Analysis of these aspects and related perceptions are key determinants for donor support.

In particular, funding for core infrastructure⁹ is positively correlated to the trust in the efficiency of the institutional process: governance and policy decision-making; validation of official mandates and priority-setting; strategic and operational clarity; transparency in resource planning and allocation; sound management; accountability and administrative efficiency; independent performance evaluation.

⁵ UNCAC is perhaps a best-practice example whereby the intergovernmental policy-making is closely aligned to funding of technical assistance priorities (advisory services and capacity building support).

⁶ Excluding section 29 of the consolidated budget 2012-2013.

⁷ In UNODC context, this function is referred to as “Co-financing and Partnerships” since most programmes are funded and implemented involving a multitude of donors and partners.

⁸ For instance: relevance of the organisation in the global policy agenda; official development assistance trends.

⁹ In UNODC terms: assessed regular budget (RB) and voluntary general purpose (GP) resources.

Funding of technical cooperation¹⁰ - representing the largest output of UNODC in budgetary terms - on the other hand is more associated with impact and is, therefore, directly linked to the programme quality, implementation capacity and operational effectiveness in the field.

UNODC operates under a complex set of conditions that has a profound impact on the way its resource mobilisation strategies are shaped:

- it is a highly specialized office with a wide regional presence, highly dependent on voluntary resources (more than 90%), with limited core staff to ensure systematic corporate planning, budgeting, programme management and backstopping; and
- at the same time, it is entrusted with a broad and multi-faceted mandate to develop, manage, implement and evaluate complex programmes funded from a wide and diverse range of donors.

Given UNODC's high dependency on voluntary funding¹¹, with few stakeholders able or willing to provide adequate and timely resources for its core capacity, the alignment of agreed policy objectives (mandates), planning, budgeting, funding and programme implementation constitutes a serious challenge for UNODC. This is perhaps best illustrated by the fact that, for many years, the ex-ante approved biennial budgets of UNODC, specifically in terms of extra-budgetary funding; do not quite resemble the revised consolidated budgets¹².

A key objective of the UNODC resource mobilisation strategy must be to secure a sustainable balance between core and programme funding in a way that the needs for cost efficiency, programme expansion and delivery capacity are adequately secured. The new integrated programme budget (2012-2013) and the new medium-term strategy (2012-2015) have provided greater strategic clarity to direct the UNODC fundraising strategy in this regard¹³.

At the same time it is important to understand the historical perspective of the policy discussions with regard to the present funding model of UNODC. Since the establishment in its present structure (2002), UNODC has struggled to balance its core and programme funding requirements. Both internal and external factors have played a crucial role in this respect. The UNODC governance structure and funding model have proven to be complex and extremely difficult to change from within. Without being exhaustive, some of the key milestones that highlight the governance and vulnerable funding situation of UNODC in a historical perspective are summarised in Annex 2¹⁴. The analysis below will zoom in on some key trends in international development finance.

3. The External Environment - International Funding Trends and Policy Implications

Apart from governance aspects such as internal efficiency, effectiveness and performance, the success of UNODC in fundraising cannot be dissociated from its relevance in the global

¹⁰ Exclusively through extra-budgetary resources (XB) or in UNODC jargon general purpose (GP) and special purpose resources (SP). An overview of key budget definitions relevant to UNODC is given in Annex 1.

¹¹ The UNODC 2012-2013 budget includes an amount for extra-budgetary resources of \$475 million representing 91.9 per cent of the consolidated budget excluding the UNOV share (section 29).

¹² The most significant changes between initial and consolidated budgets were as follows (in million of dollars): \$197/\$201 (2004-2005); \$243/\$264(2006-2007); \$295/\$467 (2008-2009); \$475/\$519 (2010-2011).

¹³ UNODC will focus on seven sub-programmes: organised crime and illicit trafficking; anti-corruption; terrorism prevention; justice; health and livelihoods; research and trend analysis; and policy support.

¹⁴ Annex 2- Governance and Fundraising: the recent milestones.

development policy agenda. From the perspective of the UN system and the donor community these elements require continuous policy validation and will determine its funding support including for core infrastructure.

International official development assistance (ODA) increased significantly from \$81 billion (1998) to \$129 billion (2010), increasing the average ODA/GDP ratio to 0.32% (2004: 0.26%)¹⁵. In particular, the 2002 Monterrey Financing for Development Conference led to a steep increase in international ODA levels from 2004 onwards.

Multilateral ODA (excluding EU institutions), however, decreased or remained flat at best: \$35 billion (2008) or 28 % of total ODA. At the same time, the DAC average share of multilateral ODA to UN Funds and Programmes fell from 15% (\$4 billion) to 10% (\$3 billion) between 1993-2003 and 2004-2008¹⁶. During the latter period, six multilateral clusters consisting of 15 agencies received and accounted for 82% of multilateral ODA: EU institutions (37%); WB/IDA (21%); the UN Funds and Programmes (10%)¹⁷, the Global Fund (6%) and the African and Asian Development Banks (4% and 3%)¹⁸

Multi-bi or non-core funding which is earmarked for specific sectors, themes, countries or regions and is routed *through* multilateral organisations amounted to \$14 billion or 12% of total ODA in 2008¹⁹ and has become a significant source of funding particularly for UN organisations, including UNODC.

Another significant trend in the context of the millennium development goals is the increasing trend in private sector transfers to developing countries which also has a bearing on the UNODC fundraising strategy. Private capital flows at market terms – comprising direct investment, portfolio investments and export credits - increased and amounted to an average of \$147 billion annually between 2000-2009 representing an average of 57 per cent of overall net capital flows from OECD/DAC countries.²⁰

The 2010 OECD /DAC report endeavours to explain the dual trend of declining multilateral ODA, in particular to UN organisations, and the simultaneous increase in “non-core” or earmarked (multi-bi) funding for specific sectors, regions and countries. Donors are quoted as having some general issues with multilateral aid such as: cumbersome procedures, lack of transparency, higher absolute costs & salaries, reduced donor visibility, accountability, effectiveness respectively lack of evidence on impact and value for money.

Non-core programme support provides the donor with a tool to direct targeted funding to an organisation it may not otherwise fund, for example, when it believes that the organisation or its governing body does not allocate the core funding in accordance with key international development needs and priorities. It may also provide visibility and a low transaction cost alternative to the donor in countries where it otherwise would have no bilateral presence and /or allow the donor to apply specific bilateral performance and accountability criteria which may be important for maintaining public support at home for its development aid programmes.

Increased non-core or earmarked funding obviously increases the overall envelope of resources for multilateral organisations and, to the extent channelled through the UN Multi-Donor Trust

¹⁵ OECD/DAC 2010 ODA Report – the DAC actually refers to Gross National Income (GNI).

¹⁶ Ibid., p.30

¹⁷ Comprising UNICEF, UNDP, UNFPA, UNHCR, WFP, UNRWA

¹⁸ The GAVI Alliance is another global fund (public-private partnership) that is rapidly increasing its resource base, reference recent donor pledges in London (June 2011) for an amount of \$4.3 billion for 2011-2015

¹⁹ Excluding debt relief, contributions from EU institutions and Korea, 2010 Multilateral ODA Report, OECD/DAC

²⁰ OECD/DAC Annual Report 2011, Annex B.

Fund Office, it may also increase harmonisation among donors. But it also comes at a price. If fewer donors are providing core funds and the organisation is not fully covering its administrative overheads, the core donors may increasingly perceive their contributions as subsidizing the programmes of non-core donors. Non-core or earmarked funding may not be subject to the same degree of governance oversight prevailing in an organisation, it could lead to a reduced involvement of the partner countries in the decision-making process (ownership) and, finally, it may entail higher transaction costs for the implementing organisation.

In 2007, the JIU highlighted that extra-budgetary/non-core funding was growing at a faster rate than regular/core funding in most UN system organisations²¹. While it acknowledged that this had a positive impact on operational growth, programme delivery and, indirectly, generated efficiency gains, it also highlighted the negative impact on the sustainability of programme delivery because of the lack of predictability of voluntary funding. At the same time, it pointed to evidence that the conditions attached to voluntary non-core contributions reduced the flexibility of organisations to deliver their mandated programmes. Earmarking can thus lead to distortion of programme priorities and can shift the organisation's balance of activities away from its core policies.

As a consequence, it is not uncommon in UN organisations that non-core resources have been allocated to finance key substantive functions and staff. In 2011, OIOS²² alluded to this issue where it states that such a development is not in accordance with General Assembly resolution 59/250 (Triennial comprehensive policy review of operational activities for development of the UN system) and that supplementary resources cannot be a substitute for core resources. OIOS points at the risk of creating additional financial liabilities that the level of core funding cannot support. For UNODC, these included for instance end-of service liabilities²³ triggered by expansion of mandates funded through extra-budgetary resources. Because of its complex funding system, "financial crises" have been a recurring theme at UNODC and it is stated that its funding model has severely compromised its effectiveness²⁴.

A recent report by the UN Secretary General to the General Assembly/Economic and Social Council²⁵ reiterated this point by stating that in 2009 non-core/restricted resources were about two and a half times the size of core/unrestricted resources in the UN system. In 1994, the ratio was less than half. Because of these developments, it calls into question the viability of the underlying policy of incremental cost recovery²⁶ and to take into account the prevailing business model and cost structures of organisations.

In 2010, the JIU underlined the need for a comprehensive funding strategy to further enlarge the Office's donor base²⁷. In doing so, it recognizes that a strategic vision needs to prevail that *demonstrates the results of core activities in order to attract core funding at the same time as non-core funds are mobilized*. In this connection, OIOS (2011) refers to the need for change management efforts to align worldwide resource mobilisation efforts and *to link the core function discussions to the ongoing work of the interdivisional task force on a cost recovery system*²⁸.

²¹ JIU/REP/2007/1, 2 July 2007

²² OIOS report, 15 February 2011, page 10 (AE2010/360/01)

²³ At the end of the 2008-2009 biennium reportedly \$25 million, OIOS 2011. More recent figures by FRMS estimate this amount of unfunded obligations to be around \$35 million.

²⁴ UNODC Annual Report 2010, pp.66-67

²⁵ Analysis of funding for operational activities of the United Nations System for 2009, 6 May 2011 (A/66/_-E/2011/-)

²⁶ According to UN Financial Rules and Regulations, the SG respectively UNODC may accept voluntary contributions as long as these do not involve any contingent liability and/or additional charges to the available RB resources of the organisation. Programme support charges (PSC) aim to cover the resulting "incremental" cost for the organisation triggered by the XB funded activities.

²⁷ JIU/REP/2010/10

²⁸ This interdivisional task force was established by ExCom in December 2010.

4. Basic features and issues of the UNODC fundraising strategy

In implementing its medium-term strategy for 2012-2015, the Office has responded to the growing demand for its services by establishing an integrated mode of programme planning and implementation. In particular, by building on the normative and technical skills of its staff, the Office has realigned its work to ensure continuity between its normative and operational work.

The seven thematic UNODC sub-programmes have in common: a) to assist Member States in ratifying and implementing relevant international conventions; b) to promote more effective policy directions; and c) to improve the capacity of Member States to implement relevant programmes in their countries. Regional programmes aim to build on the in-house technical expertise by establishing operational priorities that meet the differential needs among the various regions and countries.

Accordingly, the UNODC fundraising strategy will encompass a two-dimensional approach:

- focus on agreed priorities at the thematic and regional programme levels ; and
- establish effective funding mechanisms to sustain the core infrastructure and delivery capacity of the Office.

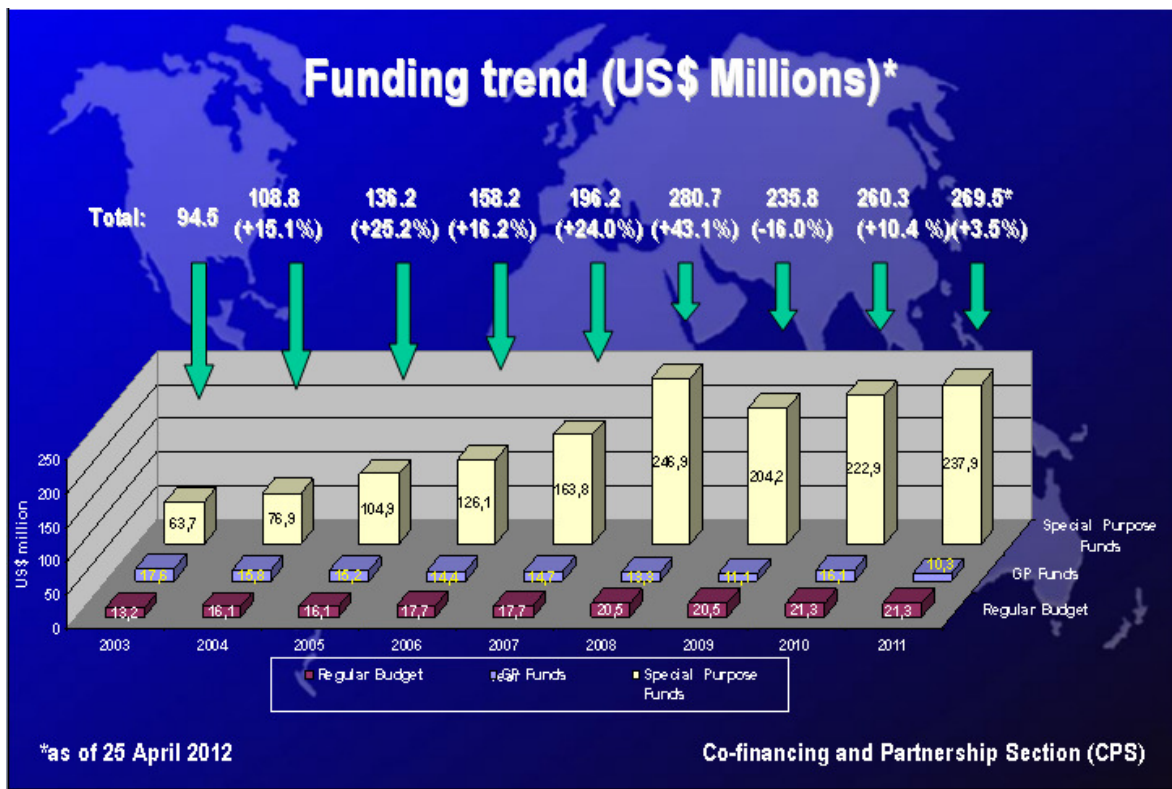
While alignment of planning, full costing (budgeting) and funding mechanisms is a precondition for successfully implementing the UNODC medium-term strategy, there is also the as yet unresolved issue of having the systems in place to enable UNODC to conduct meaningful reporting and evaluation at the programmatic level, a key accountability requirement to underpin a system of results based management.

Such issues relate to the adequacy of the core infrastructure of the Office to deal with a rapidly increasing demand for technical assistance services compounded by an overall donor propensity to apply “double earmarking” criteria, i.e. both at the policy level (regions, themes, domestic legislative considerations) and technical level (performance, reporting and accountability criteria). The next chapter (II) provides an analysis of the development in the UNODC resource base, the subsequent chapter (III) will focus on the fundraising benchmarks for regional and thematic programmes, whereas chapter (IV) will concentrate on issues and possible solutions with regard to the core funding strategy in respect to the UNODC technical assistance programmes chapter (V) will outline the organisational aspects of the fundraising functions. Finally, the concluding remarks and key points for following are summarised in chapter (VI).

II. DEVELOPMENT OF THE UNODC RESOURCE BASE - FUNDING AND TREND ANALYSIS

While internal issues (institutional efficiency, governance, effectiveness) and external issues (institutional relevance, donor funding priorities) directly impact on the capability to mobilise resources, UNODC has consistently applied two critical principles in its fundraising approach:

- Strategic partnering – systematic institutional engagement with donors in terms of policy, programme, funding (budgetary instruments) and accountability; and
- Diversification of the resource base – broader support to underpin the work of the Office.



Graph 1

Since 2002 and most visibly since 2005 this approach has delivered positive results: UNODC has tripled its annual volume of XB funding from a base of \$81.3 million to \$248 million in 2011. The biennium 2010-2011 delivered a volume of XB funding of \$487.2 million²⁹ which represents a 2.5 per cent increase over the unprecedented high level of the previous biennium (\$475.5 million). During the last budget cycle the top donor league included: Australia, Brazil, Canada, Colombia, Denmark, the European Union (European Commission), Finland, France, Germany, Japan, the Netherlands, Norway, Piracy Trust Fund, Qatar Foundation, Russian Federation, Sweden, UNAIDS, United Arab Emirates, United Kingdom and the USA.

²⁹ The consolidated budget 2010-2011 targeted XB funding at a level of \$426 million.

Voluntary Contributions (US\$ million)				
	2004-2005	2006-2007	2008-2009	2010-2011*
Special purpose	181.8	289.9	451.1	460,8
General Purpose	31.0	29.1	24.4	26,4
Total Voluntary Contributions	212.8	319.0	475.5	487,2

*as of 25 April 2012

Table 1

XB core or general purpose funding increased by 8 per cent in 2010-2011 (\$26.4 million) compared to 2008-2009 (\$ 24.4 million). While this biennial GP level represents a break in the downward trend, the actual annual 2011 GP income level is the lowest in a decade and perhaps is a better indication for the immediate future expectations. General purpose funding almost exclusively comes from a small group of major and newly emerging donors including Australia, Austria, Belgium, Brazil, China, Denmark, Finland, France, Germany, India, Japan, Liechtenstein, Luxembourg, Norway, the Republic of Korea, the Russian Federation³⁰ Sweden, Turkey and the United States³¹.

UNODC experienced a marked shift in the composition of its funding over the past years. Since the creation of UNODC (2002), the relative share of the major donor group in total funding declined from 95 to about 64.5 per cent in 2010-2011³². Newly emerging and national programme donors now account for about 26.5 per cent of UNODC funding. Other donors and partners, including United Nations entities and UN multi-donor trust funds, other intergovernmental institutions and the private sector (9 per cent), are gradually but steadily increasing their share in the overall funding of UNODC.

³⁰ Russia was a major donor to the General Purpose Fund in 2010 (\$7.0 million)

³¹ Reference Graph (2)

³² Though not reflected in Table 2, such data is available in Profi. In 2011 alone, the relative share of the major donor group showed an increase to a level of almost 69% of annual funding.

Drugs and Crime (US\$ million)						
	2008 - 2009			2010 - 2011		
	SP	GP	Total (%)	SP	GP	Total (%)
MD*	257.1	22.7	279.8 (58.9)	296.5	18.2	314.7 (64,5%)
END**	153.8	1.7	155.5 (32.7)	120.5	8.2	128.7 (26,5%)
Others***	40.2	-	40.2 (8.4)	43.8	-	43.8 (9 %)
Total	451.1	24.4	475.5	460.8	26,4	487.2

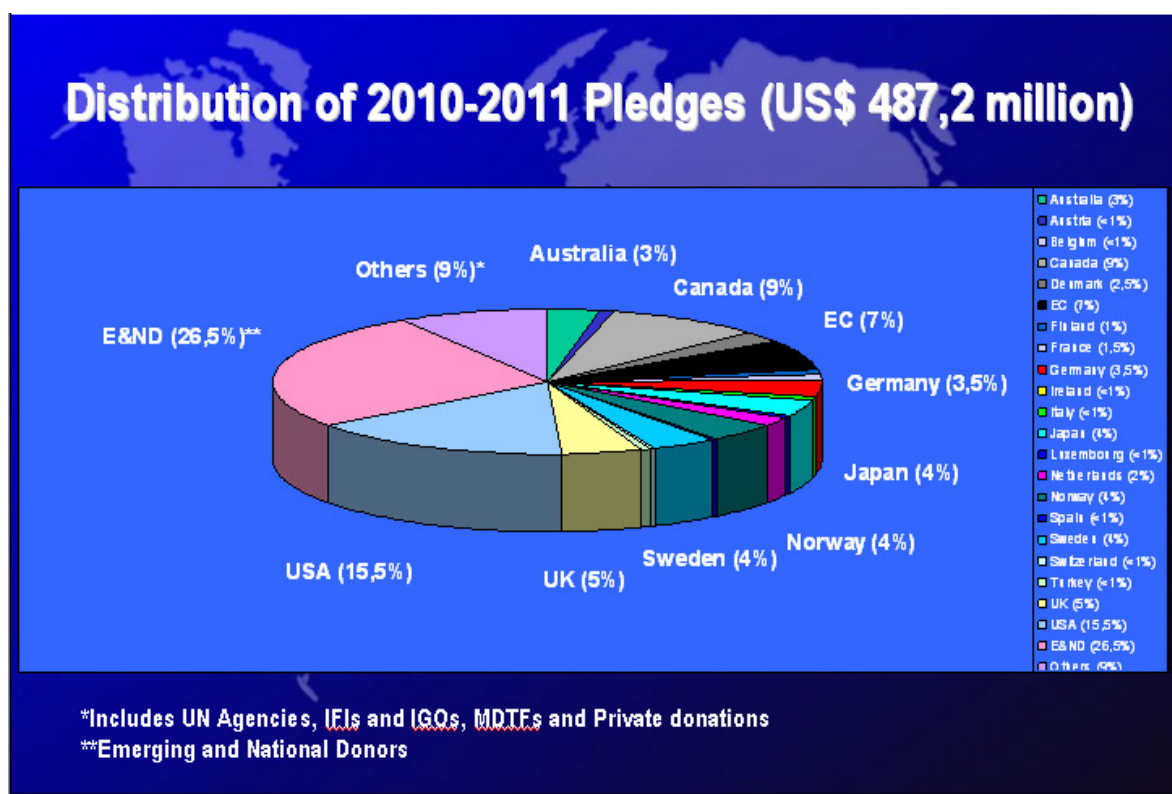
* Major Donors
 ** Emerging & National Donors
 *** UN Agencies, IFIs and IGOs, MDTEs and Private donations

Table 2

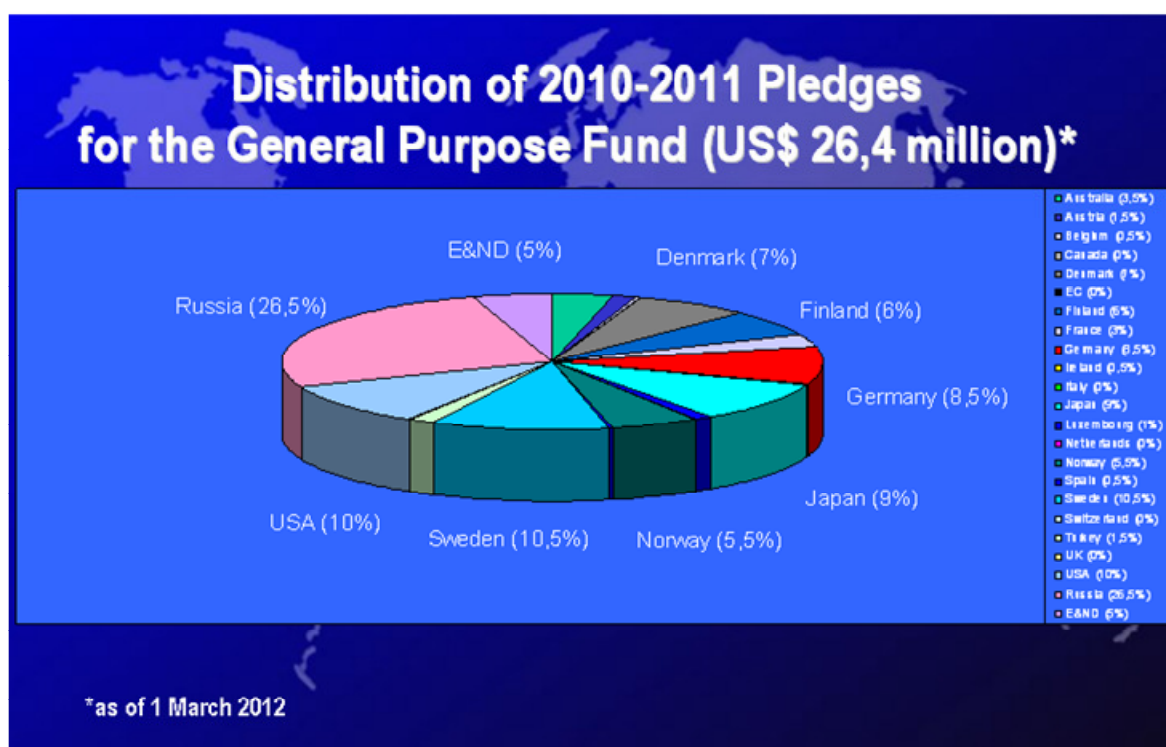
It is important to highlight the pro-active partnering and outreach approach which the Office has pursued over recent years, the effect of which is now visible in a very tangible trend towards diversification of its resource base. It is also at the heart of the rapid increase in its programme funding and delivery on the ground. Driven by its versatile mandates, UNODC has indeed successfully reached out to private funding sources and also has attracted interest from other new partners both in and outside the UN System. As a result, UNODC was managing funding relations with 133 donors in 2010-2011, categorized as follows:

- Major donors (21)
- Emerging and National donors (59)
- UN Agencies (10)
- International financial institutions & other Intergovernmental organizations (12)
- Private sector organizations (19)
- Multi-donor trust funds (12)

Another significant trend in the funding of UNODC is the distribution between the drugs and crime portfolio over time. Currently, the drugs/crime distribution shows a ratio of 60/40 (compared to 92/8 in 2005) demonstrating the impact of the new international instruments that came on stream in respect of anti-corruption, transnational organized crime and terrorism prevention.



Graph 2



Graph 3

The complexity of the UNODC resource mobilisation and donor relations management effort can be further illustrated by the underlying diversity of its partnership structure. Within donor

governments and/or partner organisations UNODC is often engaged with a large number of different branches and agencies which bring the total number of donor entities to a level of 215³³. The actual number of funding transactions was about 600 in 2010-2011. While this enhances fundraising prospects for working in a wide range of mandated areas, it also has implications for the Office in managing policy coherence, compliance and accountability. As stated in chapter two of this document, it is precisely in this interplay between fundraising and the efficiency and effectiveness of the organization where the credibility and success of resource mobilization strategies will be determined. Clear policies, procedures and systems with regard to project cycle management (priority-setting; programme design, development, management, monitoring, evaluation and institutional learning) are the preconditions for successful results based management. There is an invariable relationship between the volume and quality of resource flows and the performance management capacity of an organization.

It is in this context that the broadly diversified and expanding pool of UNODC resources needs to be further harnessed to underpin and tailor specific fundraising strategies for regional and thematic priority programmes. For example, UNODC signed a range of inter-agency cooperation agreements over the past few years which apart from enhanced policy coordination have led to co-funding and will lead to further joint cooperation in a number of areas³⁴. In the last biennium, 78 pledges from UN agencies and UN Multi-donor trust funds mobilized co-funding of \$33 million for UNODC programmes. Policy consultations with other international and regional intergovernmental organizations have led to concrete cooperation and funding of joint operations (\$6.8 million – 12 pledges). Engagement with the private sector is accelerating (\$5.2 million - 29 pledges) following the adoption of a UNODC policy framework for working with the business community, including an institutional process on partnership development and due diligence³⁵. Engagement with the EU in many thematic areas has resulted in a mature partnership of joint programming and funding of a multi-year portfolio of projects amounting to about €67 million which will be more than doubled in the course of this year³⁶. Policy and co-financing consultations with major and newly emerging donors will be further pursued on a regular basis and this process will continue the process of close coordination in respect of all resource mobilisation efforts by headquarters and field offices.

III. FUNDRAISING – THEMATIC AND REGIONAL PROGRAMMES

1. Key Principles and Approaches

UNODC has rationalized its operational structure by grouping its thematic expertise in seven thematic clusters, and adopted an integrated programme approach based on two key instruments, Thematic and Regional programmes.

Thematic programmes support the integrated programme approach of the Office at two levels by ensuring: i) the “vertical integration” of research and analysis results as well as the application of agreed international norms and standards into the development of capacity building programmes; and ii) the “horizontal integration” by monitoring the policy coherence (inter-linkages) between the various thematic programmes. As such, they provide the critical know-how to underpin policy advice and field-based capacity building initiatives by the Office.

³³ Reference Annex 3 – Detailed list of UNODC donors and partners (2010-2011)

³⁴ E.g. IFRC, ITU, IOC, UNHCR, OSCE, DPKO, EUROJUST, Shanghai Cooperation Organisation, WHO, UNDP, UNIDO, IOM, WTO, Frontex (EU), IMO.

³⁵ Presented to FinGov, 18 August 2011. Also refer to CCPCJ Resolution “*Strengthening partnerships between governments and business to counter drugs and crime*”, May 2010.

³⁶ The EU recently approved three new multi-year projects in the areas of organised crime, anti-corruption, crime prevention and criminal justice in Nigeria for €98 million.

Regional programmes are the main vehicle for UNODC to deliver technical assistance in the field. Backed by the thematic know-how at headquarters, these programmes are developed up-stream in close consultation and policy dialogue with relevant partner countries and regional entities. Six regional programmes have been developed so far: *Eastern Africa, West Africa, Arab States, Central America, East Asia & Pacific, South East Europe, Afghanistan & Neighbouring countries*, while new programmes for *Southern Africa* and *South Asia* are envisaged to be launched this year.

The regional programme approach is enabling UNODC to adopt a more strategic approach in the field, gradually moving away from fragmented project-based interventions to more effective sector and programme-based interventions³⁷. The regional programmes seek to promote cross-border cooperation and dialogue, provide access to information and data about regional/global issues and trends, ensure access to technical expertise and support the implementation of the United Nations Conventions on drugs and crime. They also contribute to build-up regional entities and mechanisms to harness and channel the political will of partner countries to fight organized crime and illicit trafficking.

Importantly, the regional programmes also provide a platform for joint efforts with UN and other partners with the aim to enhance effectiveness and cost-efficiency. Such policy and operational synergy drives UNODC's commitment to work closely with UNDG Regional Teams and UN Country Teams and thereby to contribute actively to the "UN Deliver as One" initiative.

The UNODC Governing Bodies have encouraged host countries to explore ways to continue to provide adequate support to the UNODC field offices³⁸. In essence, the funding structure for field offices and field-based operations will require a combination of the following resources: i) core infrastructure, in particular GP funding for Representatives; ii) SP project funding for technical assistance; and iii) full direct programme cost recovery³⁹.

In addition, the Office itself is also in the process of a qualitative streamlining of its field structure to increase its strategic effectiveness and financial sustainability. This process is ongoing and entails a threefold approach:

- **Regional Offices** - UNODC field presence is increasingly organized through a network of Regional Offices, serving as a regional hub of expertise, thereby achieving greater economies of scale. Regional offices currently exist for Asia & the Pacific, South Asia, Central Asia, Middle East and North Africa, East Africa, West Africa, Southern Africa, and Latin America and the Caribbean. In addition, the UNODC field network is complemented by nine country offices and some forty programme offices.
- **Use of Regional/National capacity** – UNODC relies increasingly on the capacities that exist in the region. A key objective is to establish a small "pool" of resident thematic experts in the regional offices to support the implementation and monitoring of regional and country programmes, thus strengthening the capacity of partner countries and regional entities. A good example of this approach is the establishment of "Centres of Excellence" in Mexico, Central America and the Caribbean, headed by a nationally recruited UNODC staff and comprising a team of high-level regionally seconded professionals.

³⁷ The RPs aim to address the challenges of the concerned regions and countries, identified jointly through a consultative process, involving regional experts and governments, to enhance regional/national ownership. There are also some integrated country programmes, i.e. Pakistan and Paraguay, which followed the same process.

³⁸ Resolution CND54/10 and CCPCJ20/1.

³⁹ TA programme budgets to reflect the true cost of all support functions and the extent to which local cost-sharing applies.

- **Partnership Enhancement with Middle-income Countries** – UNODC to follow a more systematic approach to strengthen the partnership with some middle income countries by placing greater emphasis on: availability of specific high-level technical expertise; upstream policy support; establishing strategic regional partnerships and cooperation, including the deployment of local and regional expertise and know-how (South-South cooperation). In addition, UNODC would seek to establish cost-sharing arrangements to cover the costs of UNODC field presence, office premises and its running costs (Mexico, Panama, Brazil, China, and Russia). Other offices, such as the ones in Peru, Senegal, Colombia, Nigeria, Pakistan, and United Arab Emirates, also benefit from free premises provided by the local governments. The ultimate aim is to seek similar cost-sharing arrangements for the Regional Offices (i.e. RCEAP, ROSA, ROSAF, ROEA, and ROMENA) as part of a full cost recovery strategy.

Fundraising for the regional and thematic programmes by definition will focus on supporting the above operational methodology. This implies a thorough understanding of the operational mechanics between the various thematic and regional programmes, and the ensuing differentiation in regional priority-setting. While the bench-marking for fundraising for all regional and thematic programmes starts from the same base-line, i.e. the 2012-2013 budget, the resulting funding structures will be different depending on the specific demands of the programmes and the suitability and quality of different funding sources. The dynamics of fundraising is such that it requires regular interaction and monitoring between CPS and the programmatic sections, including field offices, to ensure optimum use of existing resources. It also implies that benchmarks for fundraising - as presented below – will be subject to regular monitoring and recalibration.

2. Funding Needs of Thematic and Regional/Country Programmes

While UNODC is moving towards a system of integrated programming and programmatic accountability, its administrative and financial systems are still project-based. Analysing and representing the funding needs in accordance with programmatic priorities as represented in the budget and strategic framework is therefore a daunting task. The funding benchmarks which are presented below provide both a *baseline and a multi-year framework* for the Office in respect of its thematic and regional funding strategies for the period 2012-2015. Such funding strategies will be shaped and refined through a process of semi-annual analysis and update of funding requirements and by identifying different sources of funding available through headquarters or local donor contacts. The key benefit of this approach that funding strategies will be based on commonly known and shared funding priorities and thus provide the best possible guarantee for an integrated corporate fundraising approach.

The budget and funding requirements for the Headquarters-led *thematic programmes* - as presented in annex 5 – are categorised according to thematic branch, responsible section, delivery vehicle (programme number), thematic area and programme title. The data is owned by the respective branches, sections and programme managers and constitute the multi-year funding benchmarks for the relevant programmes.

The budget and funding requirements for the *regional and country programmes* – as represented in annex 6 – are categorised by regional section, responsible field office, type of programme and the relevant delivery mechanism (sub-programme). The data is owned by the respective regional sections in DO/IPB and form the multi-year funding benchmarks for the relevant programmes.

According to the analysis, conducted on the basis of data from the thematic and regional programme teams, the overall voluntary funding needed for the UNODC technical assistance

programme (regional/country and thematic programmes) amounts to **\$966 million**⁴⁰ and can be summarised as follows:

- The aggregate budget for **HQs-led thematic programmes** (2012-2015) amounts to circa **\$360 million** and the **overall regional/country budget** for the same period is **\$1.13 billion**⁴¹.
- Multi-year funding presently available and programmed to the **thematic programmes** is **\$70 million**, implying the need for fresh funding of about **\$290 million** which represents about 30 % of overall funding needs.
- Multi-year funding presently available and programmed to the **regional/country programmes** overall amounts to **\$453 million**, implying the need for fresh funding of **\$676 million** which represents about 70 % of overall funding needs.

Inevitably, the prognosis and monitoring of funding trends and needs covering a four-year span (2012-2015) results in indicative targets or benchmarks; however as mentioned such trends will be monitored and updated at regular intervals in close consultation with the thematic and regional programme management teams.

In the past four years covering the medium-term strategy period of 2008-2011, the UNODC annual voluntary contribution level varied between US\$ 230-250 million⁴². In the previous biennium (2010-2011) the total level of special purpose funding amounted to US\$ 460.8 million. Assuming such trend can be sustained in 2012-2013, the availability of voluntary funds would be around US\$ 460 million which - everything being equal - would be within grasp of the overall target for special purpose funding during 2012-2015.

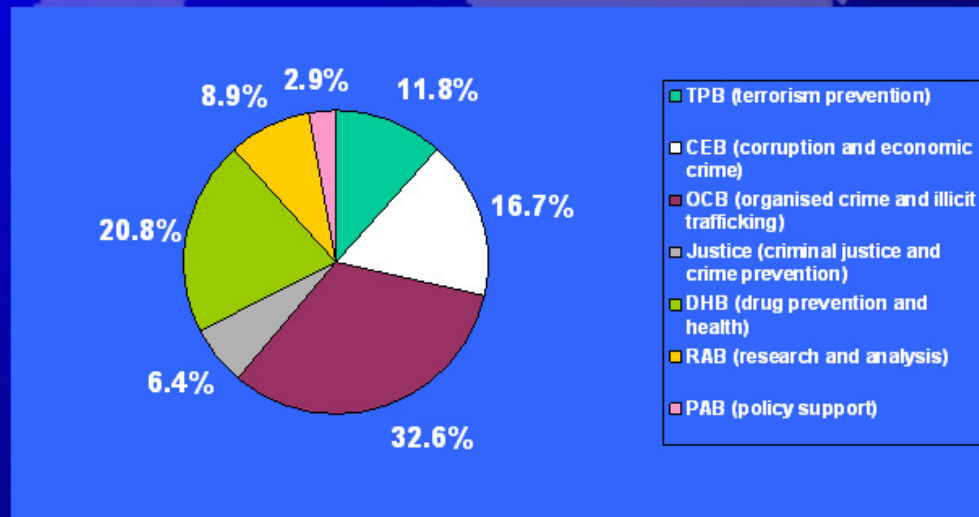
The HQs-led thematic programme-budget distribution for the period 2012-2015 among the seven sub-programmes of the medium-term strategy would be as follows:

⁴⁰ Reference detailed analysis of XB funding needs over 2012-2015 in Annex 5 – *Fund Monitoring of HQs led Thematic Programmes* & Annex 6 – *Fund Monitoring of Regional and Country Programmes*

⁴¹ Thematic programmes also have significant “field-based segments” which are incorporated in and delivered through regional/country programmes.

⁴² Discounting GP funding, the actual SP funding level varied between \$220-240 million.

Distribution of the HQ-led Thematic Programme (\$360 million)

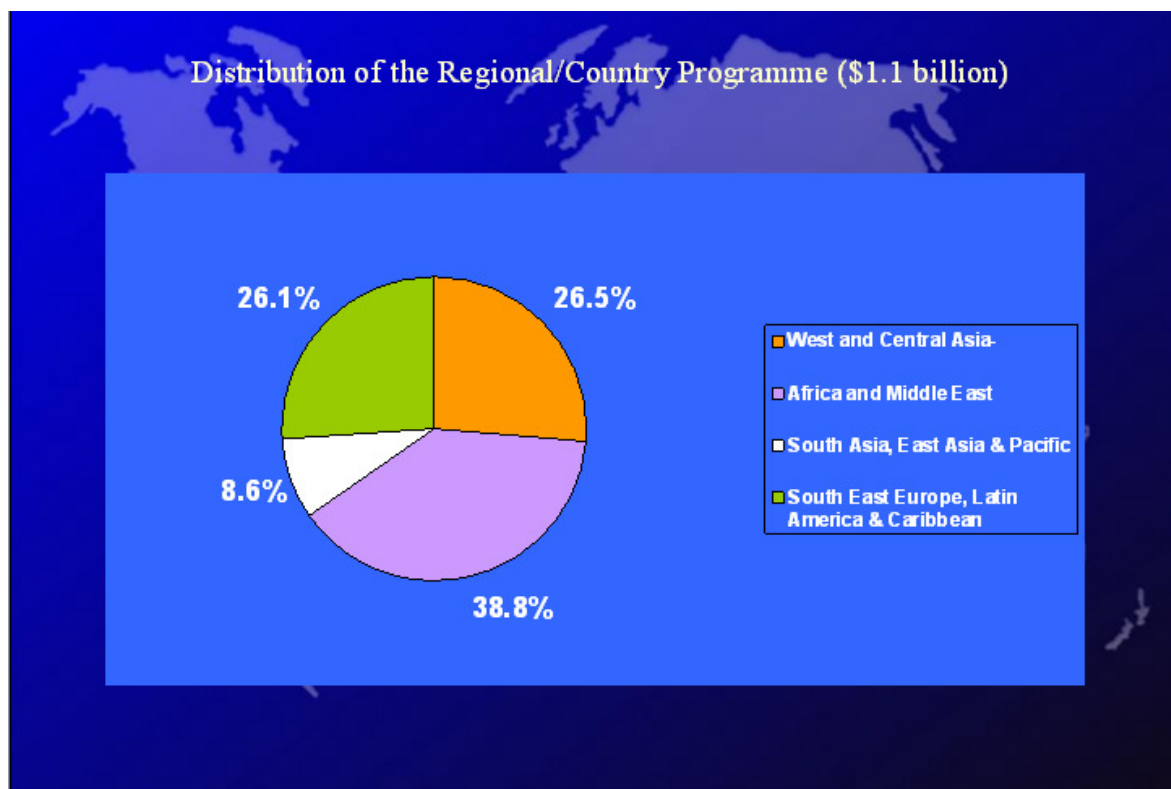


Graph 4

The regional/country programme- budget distribution for 2012-2015 would look as follows (in million US dollars):

West and Central Asia-		299.3 (26.5%)
<ul style="list-style-type: none"> • Afghanistan (157.7) • Iran (13.3) • Pakistan (60.0) 	<ul style="list-style-type: none"> • RO Central Asia (52.5) • RP Afghanistan & Neighbouring Countries (15.9) • Paris Pact (0.5) 	
Africa and Middle East		438.1 (38.8%)
<ul style="list-style-type: none"> • RO East Africa (52.7) • RO Southern Africa (42.8) • RO for Arab States (104.3) 	<ul style="list-style-type: none"> • RO Western Africa (124.5) • CO Nigeria (113.8) 	
South Asia, East Asia & Pacific		97.1 (8.6%)
<ul style="list-style-type: none"> • RO South Asia (14.9) 	<ul style="list-style-type: none"> • RC East Asia & Pacific (82.2) 	
South East Europe, Latin America & Caribbean		295.1 (26.1%)
<ul style="list-style-type: none"> • Balkan States (14.7) • CO Colombia (107.0) • CO Bolivia (10.3) • RO Peru (34.0) 	<ul style="list-style-type: none"> • RO Mexico (38.1) • RO Panama ((39.1) • RO Brazil (51.90) 	

Table 3



Graph 5

IV. TOWARDS A CORE FUNDING STRATEGY FOR TECHNICAL ASSISTANCE

1. Core Funding & Core Functions – the evolving UNODC Business Model

In the context of UNODC, core funding is un-earmarked multilateral aid and consists of GP funds and its share of the regular budget - funded from assessed contributions - as approved by the CND, CCPCJ and the UNGA respectively⁴³.

Inevitably, the term core funding raises the question what does UNODC require to maintain its vital or core functions? While the term core funding is generally understood to comprise RB and GP, there is no single consensus definition of what constitutes “core functions” at UNODC, particularly regarding its technical assistance function. Diverging priority and policy considerations have led to an abundant range of official mandates which directly affect the operational business of UNODC but are not necessarily backed by an adequate regular budgetary capacity⁴⁴. Since normative (inter-governmental) work based on political mandates from the General Assembly (GA) started early, most of its work was funded from the regular budget and were then identified as “core functions”. Core functions became thus historically defined by tracing them to the actual source of funding rather than by their functional quality. This circular logic (core funding = core functions) by-passes the fact that other mandated work areas of UNODC such as research, central policy support and some of its capacity building work (through technical assistance) may contain core functions, however are primarily funded from inherently volatile special purpose (SP) sources.

From a functional perspective, a more comprehensive and also pragmatic approach to the definition of “core functions” is to state that promoting and supporting the implementation of the three Drug Conventions, the UNTOC and UNCAC, and the UN standards and norms on criminal justice and crime prevention are the core functions of UNODC. In this context, it is generally accepted that the implementation of these UN Conventions require normative, policy support, research and operational work. The volume of mandated UNODC work in all these areas has grown exponentially over the years, however its core capacity to manage and implement is still based on the traditional RB funded core infrastructure, supplemented by SP resources and PSC income to cover the increased administrative burden⁴⁵. This funding model does not recognise the evolution in the UNODC business model comprising cumulative mandates in the different functional areas of normative work, policy support, research and technical assistance. Neither does it take into account the associated cost structure of delivering such a comprehensive range of core activities. In reality, UNODC core funding is leveraged to the extreme through volatile special purpose resources. The current UNODC business model would require critical investments in the basic infrastructure of the organisation to be effective and sustainable.

Table (4) below illustrates this point from a budgetary and funding perspective. Between 2002⁴⁶ and 2011 the consolidated budget (RB/XB) increased threefold from \$171 to \$529.8 million. During this same period, the combined core funding (RB/GP) of UNODC decreased dramatically from 33.5 to 13.0 per cent.

While the regular budget share increased fractionally in nominal terms⁴⁷ (but only marginally in real terms), the relative share of GP was in a freefall. In the biennium 2002-2003, the RB ratio versus the overall (RB/XB) budget was 15.5%, whereas in 2010-2011 it is 8.0%. At the same time, the GP ratio tumbled from 18% to about 5.0%. It is against this background that a General Assembly resolution⁴⁸ was adopted recommending that a sufficient share of the UN regular

⁴³ For details refer to Annex 1 - Key Budget Definitions

⁴⁴ Reference mandates approved by CND and/or CCPCJ without identified XB funding sources (“XB mantra”).

⁴⁵ Reference footnote 24.

⁴⁶ Creation of UNODC in its present structure.

⁴⁷ Mostly as a response to the immediate workload increase related to the Palermo and Merida Conventions.

⁴⁸ UNGA resolution 65/233 of 10 December 2010.

budget be allocated to UNODC to enable it to carry out its mandates in a consistent and stable manner. This UNODC funding trend also corroborates a key observation in the 2011 report by the UN Secretary General where it calls into question the prevailing business model and cost structures of (UN) organisations⁴⁹.

While the 2012-2013 approved budget shows a steady share in RB resources (7.7%), the GP share continues its relative decline (4.1%) projecting the total core funding as a share of RB/XB at a level of 11.8 per cent.

UNODC – Budget & Funding Trends (in million USD)

Year	RB/XB	RB	GP	RB+GP	SP	GP/SP (%)
2002-2003	171.4	26.5 (15.5 %)	30.9 (18 %)	57.4 (33.5 %)	114.8	26.9 %
2004-2005	219.1	32.3 (14.7 %)	31.0 (14.1 %)	63.3 (28.8 %)	181.8	17 %
2006-2007	299.6	35.5 (11.8 %)	29.1 (9.7 %)	64.6 (21.5 %)	289.9	10 %
2008-2009	484.3	41.0 (8.5 %)	24.4 (5.0 %)	65.4 (13.5 %)	451.1	5.4 %
2010-2011	529.8	42.6 (8.0 %)	26.4 (5.0 %)	69.0 (13.0 %)	460.8	5.7 %
2012-2013	528.2	40.9 (7.7 %)	21.5 (4.1%)	62.4 (11.8 %)	465.8	4.6 %

Table 4

* 2012-2013 budget reflects initial income projections as of January 2012.

** RB income excludes UNOV share

*** SP includes projected programme support income (PSC)

2. Key building blocs of a technical assistance core funding strategy

It follows from the above analysis that the establishment of a sustainable (core) funding TA strategy needs to take into account two critically important and interrelated factors:

- The prevailing UNODC funding model is no longer adequate to meet the needs of its evolved TA programme business model;
- The external ODA environment is such that RB funding, i.e. core multilateral aid to the UN System, will not increase commensurate with the requirements of UNODC in the foreseeable future⁵⁰.

This implies that the TA **core funding strategy of UNODC** would need to be based on a more integral outlook that links the funding process of both regular and extra-budgetary resources. The basic building blocks of such a strategy would be:

- Continued policy based consultations within the UNODC Governing Bodies to *increase the RB resource base, also for mandated technical assistance core functions*, over time in line with the medium-term strategy and biennial budget processes;

⁴⁹ Reference footnote 25.

⁵⁰ Recently, the increased aid capacity of countries such as Brazil, China, India and Russia (BRICs) and their commitment to multilateral institutions has been highlighted in various studies as highlighted by the Economist: “Charity begins Abroad”, the Economist August 13th-19th 2011, pp.44-45. While this may lead to stronger domestic or regional programme funding, it is assumed that this trend will not translate in a positive trend-break in UNODC core funding for the immediate future (2012-2015).

- Establishment of an institutional mechanism to agree on an eligible list of core functions, both at headquarters and at the field level, needed to support a viable business model of UNODC⁵¹, effectively creating *a benchmark framework for core funding*;
- Adoption of an institutional process for the *core resource planning* (RB and GP) and monitoring in compliance with the relevant UN Financial Rules and Regulations⁵²;
- Establishment of a system of *full direct programme cost recovery for extra-budgetary funded technical assistance* activities, i.e. to avoid inappropriate RB or GP subsidies to field TA operations.

Based on the accepted definition of core resources (RB/GP), the above multi-layered approach provides the basic ingredients to institute a rational, transparent and pragmatic approach to the planning and funding of technical assistance core infrastructure requirements of UNODC. It is anticipated that the Member States of UNODC would then be in a better position to assess the value and effectiveness of UNODC core functions, their link to the various budget sources and their impact on the overall delivery performance which is a key point in the 2010 JIU report.

3. Regular Budget and XB-Funding – Analysis of Core and Support Functions

As mentioned before, the funding strategy takes the new medium-term strategy 2012-2015 and the budget framework for 2012-2013⁵³ as its baseline reference. These documents reflect the seven thematic priority result areas⁵⁴ and the six geographical priority regions⁵⁵ of UNODC respectively:

- | | |
|---|-----------------------------|
| • Organised Crime and Illicit Trafficking | Africa and Middle East |
| • Countering Corruption | West and Central Asia |
| • Terrorism Prevention | Latin America and Caribbean |
| • Justice | South Asia |
| • Health and Livelihoods | East Asia and Pacific |
| • Research, trend analysis and forensics | South Eastern Europe |
| • Policy Support | |

The budget document also refers to the separate functions with regard to “executive direction and management”⁵⁶ and “programme support”⁵⁷. Overall, the budget 2012-2013 identifies 474 posts of a “continuing nature” which are to be funded as follows:

- regular budget (231) – all at headquarters⁵⁸
- general purpose funds (59) – 35 at headquarters and 24 in field operations

⁵¹ Such a mechanism would highlight the results of core activities and facilitate the attraction of core funding. Reference also the 2010 JIU Report, Recommendation 5.

⁵² An inter-divisional Financial Monitoring Review Group was established in November 2011 which reports to the Executive Committee on a quarterly basis.

⁵³ Consolidated budget for the biennium 2012-2013 for the United Nations Office on Drugs and Crime (E/CN.7/2011/16 – E/CN.15/2011/22), December 2011.

⁵⁴ Divided over three divisions within UNODC: Division for Treaty Affairs (DTA), Division for Operations (DO) and the Division for Policy Analysis and Public Affairs (DPA).

⁵⁵ Located in the Integrated Programme Branch (IPB/DO) which has the key responsibility for programme management, support & oversight together with the field offices with regard to field-based technical assistance.

⁵⁶ Office of the Executive Director (OED)

⁵⁷ Division for Management (DM), responsible for seven entities: financial resources management; human resources management; information technology services; general support section; procurement section; conference management; and security and safety services.

⁵⁸ Includes UNOV share under DM

- programme support (184) – 94 at headquarters and 90 in field operations

UNODC Budget 2012-2013								
Posts by core funds & PSC								
	OED	IEU	DTA	DO	FOs	DPA	DM	Total
RB	10	3	80	20	0	25	93	231
GP	4	0	1	5	24	18	7	59
PSC	1	1	2	31	90	11	48	184
Total	15	4	83	56	114	54	148	474
SP - TA Budget (\$mln)	1		193	204		56	-	454 (419 excluding PSC)

Table 5

Regular budget

At the time of preparing the RB for 2012-2013, in line with UNGA Resolution 65/233 of 10 December 2010, UNODC submitted a proposal to the SG to create 53 new RB funded positions which comprised 34 new positions and 19 conversions from existing GP/PSC/SP funded positions. This proposal aimed to strengthen the administrative and management infrastructure, the core normative expertise and the evaluation function of UNODC. The monetary value of this proposal implied an increase of \$16.5 million or 29% of the regular budget appropriation for posts.

The actually approved 2012-2013 budget represents an increase of 1.5% compared to the previous biennium and includes eight new RB positions (of which four conversions from GP/SP) for: IEU (1); TOC/Illicit Trafficking (2); Terrorism Prevention (1); Justice (1); Health & Livelihoods (1); Research and Analysis (1); and Policy Support (1). A further break-down by division of the overall RB/GP/PSC staffing data as shown in the above table can be found in Annex 4.

From this analysis it follows that the RB primarily supports *general executive direction and management (UNOV/OED/Divisions), policy guidance and policy support (INCB & Secretariat Governing Bodies), core thematic and normative expertise, research and analysis, and evaluation.*

- While DM has the highest number of RB posts (93 of which 71 GS staff) representing 63% of DM total, all of them fall under budget section 29 (UNOV share). Their distribution is as follows: DM (2), FRMS (18), HRMS (19), General Support (26), Procurement (6), Library (2), ITS (20)⁵⁹
- DTA has 80 RB posts (96% of DTA total) distributed between organised crime, corruption and terrorism prevention (43) and policy support functions (37: INCB/SGB)
- DO has 20 RB posts (12% of DO total, including field offices), mostly concentrated in the director's office (4), Justice (9), Health & Livelihoods (5) and IPB (2)

⁵⁹ DM has 7 GP funded positions (ITS) and 48 PSC funded positions (FRMS, HRMS, General Support, Procurement and ITS) directly in support of UNODC, representing 37% of its staff.

- DPA has 25 RB posts (46% of DPA total), primarily in Research & Analysis (20) and the remainder in the policy support and public affairs branch (5)

For UNODC to be successful in future RB resource increases for technical assistance core infrastructure, the conclusive evidence points to building an emphatic case clarifying the key functions for executive management, policy guidance, needs analysis and research, thematic programme development and evaluation underpinning technical assistance programmes. Technical assistance programme delivery would not be eligible for RB support.

General Purpose and PSC Budget

GP funding has complemented RB and enabled UNODC to enhance executive direction and management functions (OED and DO), the deployment of field representatives (DO), programme related research & analysis (DPA) and information technology (DM/ITS). Jointly, these services take 51 out of the 59 GP funded positions.

However, in terms of key technical assistance programme cycle management functions such as *integrated programme development & management, implementation & policy support (fundraising, donor relations management, advocacy, results-based management, performance monitoring, institutional learning), accountability and oversight*, PSC and SP funding have mostly, yet inadequately, carried this burden. Such funding is highly unpredictable – it only materialises throughout the relevant programme budget biennium - and therefore inherently impacts on programme planning and implementation.

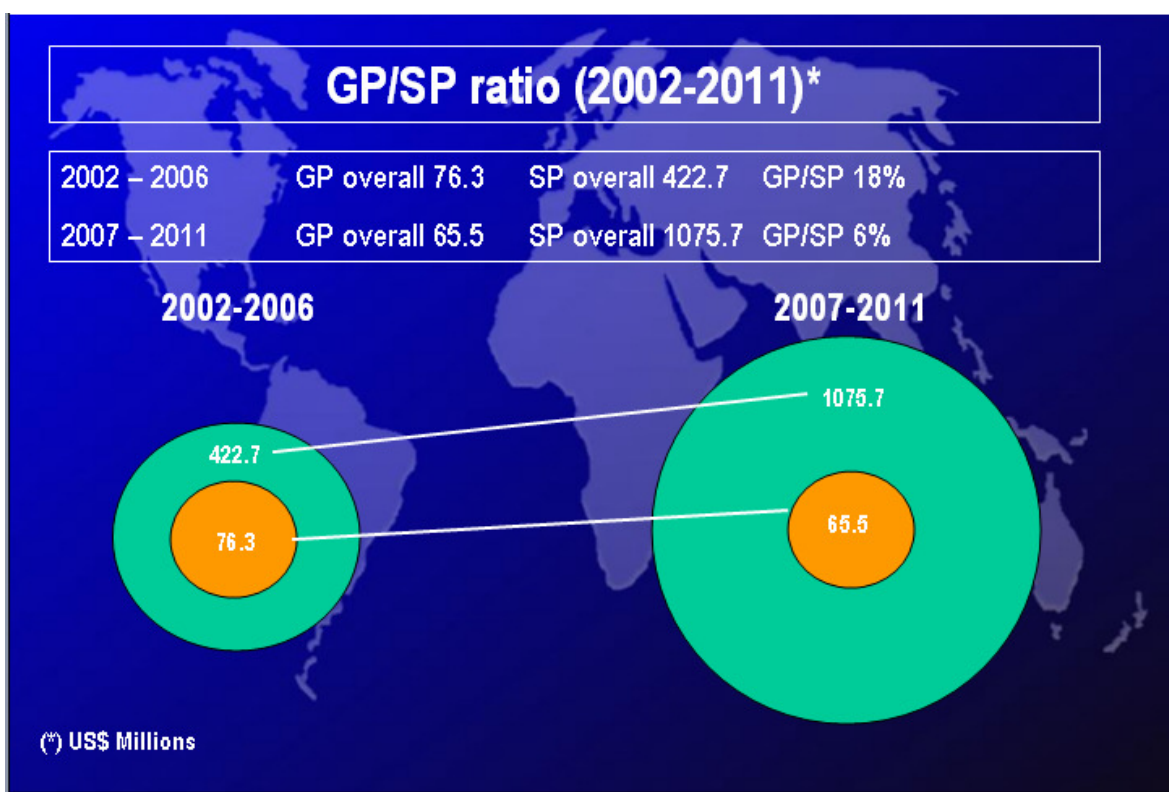
In the meantime, the scope and volume of UNODC field-based technical assistance delivery has grown exponentially over the last few years⁶⁰. UNODC has acquired a unique position within the “rule of law-human security-development” nexus to deliver specialised technical assistance rooted in its normative functions (Conventions) and evidence-based policies (research & analysis). However, the transformation of such know-how into a successful and sustainable technical assistance programme requires a core investment in operational skills, management processes as well as in financial and administrative systems.

Special Purpose Budget

The 2012-2013 SP budget amounts to \$454 million of which \$35 million PSC. In addition to the 184 PSC funded support functions (table 5), the budget recognises 1183 project positions of which 119 at headquarters and 1,064 positions in the field of which 950 are locally recruited and administered on behalf of UNODC by UNDP. Whereas the field-based positions are all geared towards implementing technical assistance programmes, **the SP funded positions at headquarters can all be defined as providing core services to develop, manage, monitor and backstop such technical assistance at various stages in the programme cycle.** In addition, it is important to highlight that **48 out of these 119 HQs positions are currently vacant**, mostly because of lack of funding:

⁶⁰ Geographically, thematically and financially - reference funding trends in next chapter II & Graph 6.

- In DPA (36 – of which 21 vacant) the focus is on change/results-based management, enhancing strategic communication and advocacy, trends monitoring and analysis (research) and scientific and forensic services
- In DO (20 – of which 7 vacant) the emphasis is on health (drug dependence treatment), crime prevention and criminal justice, and programme management and quality monitoring (IPB)
- In DTA (58- of which 19 vacant) the posts are distributed among the global programmes for terrorism, organised crime and illicit trafficking, corruption, and the INCB (5)
- In DM (5- of which 1 vacant) all related to information systems & quality assurance support for the National Drug Control System.



Graph 6

4. Benchmarking Technical Assistance Core Functions

The foregoing analysis provided some clear pointers with regard to the actual application of the different budget resources available and can be summarised as follows:

- RB exclusively supports executive direction and management, the intergovernmental process and policy guidance (governing bodies, conventions), core know-how (research and analysis; thematic expertise)
- GP complements RB in that it finances primarily some executive direction and management (OED, DO), Field Representatives, programme related research and analysis (DPA) and information technology infrastructure (DM/ITS)

- PSC provides funding for overarching programme and policy support functions (field offices; IPB/DO; DPA/CPS and DM/FRMS/ITS)
- SP funds finance the substantive technical assistance programmes in the field, **but also a sizeable portion (>20%)⁶¹ of core HQs positions** related to substantive expertise (DTA), programme management and monitoring(DO) and policy support (DPA-Advocacy/Communications & Strategic Planning)

The above conclusions underline the need to continue pursuing stronger RB support to UNODC in respect of mandated core technical assistance functions. Since future increases in RB funding may be highly uncertain, there is a simultaneous and compelling need to address the inherent weakness, instability and unpredictability in the system of voluntary core funding with the aim to enhance the quality in the planning, management and delivery of technical assistance programme by UNODC.

Based on the analytical assessment of the budget, staffing and funding structure of the Office, some specific concluding observations can be made. At this juncture, the *Secretariat* (intergovernmental) function is relatively well-endowed through the regular budget but mandates are evolving rapidly and the case for RB needs to be (re-)assessed continuously. With regard to its *technical cooperation* function, however, UNODC needs a stronger critical mass and quality enhancement in the following areas:

- Thematic programme development and management in the sub-programmes: Justice; Health & Livelihoods; and Transnational Organised Crime/human trafficking (DO and DTA).
- Integrated regional programme development, appraisal, management and monitoring skills to sustain programme cycle management, operational backstopping and quality control (DO/IPB).
- Policy support for technical assistance in the following areas: i) strategic planning, inter-agency policy coordination, results-based management and monitoring; ii) external communications, planning advocacy & outreach; iii) resource mobilisation, partnering and inter-agency support including One UN & Multi-donor trust funds management; and iv) specific know-how in research, analysis and forensics (DPA).
- Financial oversight and performance monitoring to ensure institutional accountability and compliance (FRMS).
- Change management, including an upgrade of administrative & reporting systems, realignment of HQs/FOs work processes to support better programme finance and risk management with the aim to institute results-based management and to improve programmatic accountability (FRMS/ITS/DPA).
- IEU has received additional RB, but has to meet high expectations with regard to effective institutional learning, e.g. by setting standards for evaluation of regional and thematic programmes, full programme coverage and impact evaluation.

Realistically, the core funding strategy for UNODC will face a transition period of at least two biennial budget periods. Any future increases in the regular budget, if any, are likely to be marginal and in nominal terms only. Full direct programme cost recovery (see section 6. below) will require some further technical preparations and is therefore unlikely to be effective in the

⁶¹ Excluding UNOV staff positions, the relative share of SP funded UNODC/HQs staff positions exceeds 30%.

present biennium. The annual GP ratio in the overall XB funding is likely to decline further in the meantime (reference Table 4 & Graph 6). At the same time there are certain limits to improving the PSC income⁶² which impact on the administrative cost ratio (PSC/SP) for technical assistance. In relative terms, the indirect variable administrative costs of UNODC on average have been quite low (Table 6).

XB-Funded Technical Cooperation				
Administrative Costs Overview (mln\$)				
	2006-2007	2008-2009	2010-2011	2012-2013
PSC Income from SP	20.3	36.6	38.6	37.8
SP Expenditure	215.8	401.5	455.4	418.5
PSC/SP-ratio	9.4%	9.1%	8.5%	9.0%

Table 6

In summary, the technical assistance programme of UNODC is operating on a declining and historically low level of GP funding reinforced by a variable income component of 9% to cover the incremental indirect costs of the Office (2012-2013). At the same time, GP funding is leveraged by SP financing⁶³ which in terms of predictability and sustainability does not meet the core infrastructure requirements identified above and which are needed to create a more stable basis for programme development, management and delivery in every aspect of the programme cycle. The current level of unfunded SP positions for core functions at headquarters represents a level of about \$10 million annually. If these positions were to be converted into GP funding, the GP level would be restored to 7.5-8 per cent annually of total XB funding (presently about 4.5-5%).

5. Institutional Mechanism for Resource Planning and Monitoring

The Joint Inspection Unit recommended instituting a corporate mechanism to oversee the financial situation of the Office and to determine overall resource allocation, notably aiming at increasing transparency so as to strive for reducing earmarking of contributions⁶⁴.

Early 2011 an interdivisional Financial Monitoring Group was established to advise the Executive Committee on financial indicators, funding and related risk management issues. More specifically its terms of reference are as follows:

- To look into the trends and sustainability on a monthly basis, in an effort to have an early warning system;
- To provide quarterly briefings to the Executive Director and to ExCom on the financial situation of UNODC
- To engage ExCom on a long term basis to discuss strategic prioritisation and overall resource allocation

This Group has an important role to play in monitoring programme and budget implementation and in advising on technical assistance resource planning with regard to approved or emerging priorities. The rationale for its work is first and foremost to enhance standards for transparency and accountability in the core resource allocation as proposed by the Executive Committee and mandated by the Governing Bodies.

⁶² Notwithstanding the UN standard rate of 13 %, a PSC rate of 7% prevails in respect of UN Inter-Agency joint programmes and projects under the EU-UN Finance and Administrative Framework Agreement (FAFA).

⁶³ Reference Annex 4: 119 SP funded positions divided over DTA (58), DPA (36), DO (20) and DM/ITS (5).

⁶⁴ JIU Report, November 2010: Recommendation 5.

The role and effectiveness of the Financial Monitoring Group could be significantly amplified if the funding benchmarks for the technical assistance programme, comprising both core infrastructure and regional/thematic delivery targets, are accepted as the baseline scenario for the medium-term strategic framework. This represents the key element of the fundraising strategy and would enable the Office to align policy priorities with planning, budgeting and funding processes. Such a baseline funding scenario in respect of the various UNODC sub-programmes also provides the Office with an anchor for a coherent financial performance monitoring and accountability framework. Perhaps most importantly, it enables the Office to agree with its Member States on possible funding mechanisms that would ascertain realistic assurances for achieving a predictable and sustainable balance between core and programme funding. In other words, a funding model that meets the defined operational programme requirements of the Office in the context of the biennial budget cycle. It is important to note that while the Office does monitor closely funding income and expenditures, it has little control over the direction of XB resources and has limited capacity to intervene in that process.

Based on an agreed baseline scenario which includes transparent indicators for resource allocation, previously proposed and new alternatives for a voluntary funding model of the core infrastructure and related programme funding would significantly gain in credibility because they are linked to programme performance monitoring based on agreed outcomes. The menu of such mechanisms can be summarised as follows:

- Bi-annual “Appeal” or pledging conference – implying biennial or multi-year indicative pledges in line with the UNODC budget cycle;
- Donors to apply a fixed share of their contributions to general purpose funding – implying a voluntary and fair means of burden-sharing;
- Donors to provide a fixed percentage in soft-earmarking in support of the UNODC regional and thematic programmes – to allow the inclusion of funds from the necessary policy support functions;
- Introduce a system of voluntary assessments such as the UNEP voluntary indicative scale of contributions or the earlier proposal by UNODC on an indicative contributions scheme⁶⁵.

6. Full Direct Cost Recovery for Technical Assistance Programmes

The introduction of a full direct cost recovery model is a critical complement to the core funding strategy, because the UN Financial Rules and Regulations stipulate that the SG respectively UNODC may accept voluntary contributions as long as these do not involve any additional financial liability for the organisation. Hence, no RB funds may be used in any manner to support activities funded by extra-budgetary resources and the analogy would suggest that a new technical assistance funding model would refrain from GP subsidies for SP funded activities. Full costing of technical assistance programmes combined with applicable standard programme support charges (PSC) would underpin the proposed benchmark framework for core funding at UNODC and thereby bring about a fundamental change in the management of its core resources as stipulated by the 2011 OIOS report. Full programme cost recovery is thus an essential component of any core funding strategy.

The concept of full direct cost recovery is not new. Already in 2002, the JIU highlighted the lack of harmonisation of support cost recovery policies and practices among organisations of the United Nations system. This led to the establishment of a working group under the auspices of the United Nations System Chief Executives Board (CEB) Finance and Budget Network which at

⁶⁵ Reference annexes I & II in E/CN.7/2008/11 – E/CN.15/2008/15 dated 18 February 2008.

the time distinguished between: i) direct costs (e.g. project personnel and equipment) to be charged directly to the projects; ii) fixed indirect costs (e.g. senior management) to be financed by regular/core resources; and iii) variable indirect costs, also known as programme support costs (e.g. administrative units supporting project activities) to be recovered from the project. The working group concluded that “cost recovery policies should encompass both programme support costs and direct costs” and that “both these costs should be fully recovered from extra-budgetary projects”⁶⁶ These principles were echoed in successive major donors meetings and in the resumed sessions of the CND and CCPCJ in 2010.

In 2011, an interdivisional task force further analysed the implications of a full direct cost recovery model at UNODC, taking into account established UN definitions and principles. This exercise would aim at identifying true cost behaviour within the spectrum of true back office costs and true substantive costs, thereby enhancing transparency in the actual cost structure of UNODC technical assistance delivery. But it would also support a key policy ambition of UNODC, which is to establish a system of results based management (RBM) and which requires that all resources close to programme execution are reported within the plans and results of that programmatic effort⁶⁷.

In general terms, the UNODC technical assistance cost structure can be described as follows:

- *Substantive costs* – cover all activities to produce substantive outputs including direct normative, thematic and technical cooperation resources, to be accounted for directly in the programme budget;
- *Direct support costs* – cover activities that are used to support defined segments of programmes and can be traced fairly easily to their budget segments. These costs are proximate to the activities and “short-step” variable in nature.
- *Overhead costs* – cover overarching support functions that cannot be easily traced to substantive activities (at budget-line level). These costs are associated with corporate or cross-functional functions and are, therefore, more of a fixed or “long-step” variable nature.

While the task force identified 16 categories of HQ support functions and 9 categories of field office support functions whose actual deployment or involvement may vary by activity, some are of a global overarching nature which would qualify them as overhead costs. These functions mostly relate to: programme strategy and development (IPB/DO); resource mobilisation (DPA/CPS); advocacy (DPA/AS); evaluation (IEU); strategic planning (DPA/SPU); central administration (HRMS, FRMS, Procurement, ITS); global field support costs (field representatives); and oversight (audits).

The technical implementation of full programme cost recovery for technical assistance would entail: i) a review and definition of all support functions both at headquarters and the field ; ii) a review of their actual and appropriate costing; and iii) the establishment of a methodology for charging or allocating such full costs to the external technical assistance outputs of UNODC. The first and second phases are virtually completed but would require testing and, in particular with regard to its operational transmission in a new technical assistance budget structure and a concomitant IT system to account for the resulting resource flows.

⁶⁶ CEB/2005/5, paras.48-54, as quoted in JIU/REP/2007/1.

⁶⁷ Also refer to recommendation 2. in: JIU/REP/2011/5 - “Accountability Frameworks in the United Nations System”, Geneva 2011.

The implementation of a system of full programme cost recovery would then facilitate a more rational use of UNODC funding sources along the following lines⁶⁸:

- RB and PSC – together these could be used to fund corporate structures and overheads. PSC is recognised as the driving force for funding overarching programme support functions because of its nature, stability and volume.
- SP – can be used to fully fund substantive programmes, covering both the substantive and direct support costs
- GP – remains a critical resource because of the low RB level of funding (resulting in high leveraging of PSC and SP funding to cover core technical assistance functions). The ultimate aim would be to use GP as discretionary funds for new programme development and unfunded priorities.

V. ORGANISATIONAL ASPECTS OF FUNDRAISING FUNCTIONS

1. The position and coordinating role of the Co-financing and Partnership Section

Resource mobilisation and partnering inevitably entails an organisation-wide outlook and responsibility, whereby its effectiveness is predicated on clearly understood policy principles and organisational processes. In particular, defining and understanding the delicate balance and interaction between resource mobilisation functions concentrated at headquarters (HQs) and decentralised to field offices (FOs) is fundamental to the establishment and maintenance of a successful resource mobilisation culture in the organisation.

The Co-financing and Partnership Section (CPS), located in the Policy Support and Public Affairs Branch of the Policy Analysis and Public Affairs Division (DPA), has primary responsibility to coordinate the UNODC resource mobilisation initiatives⁶⁹. In driving and managing the fundraising strategy, CPS inherently has the task to ensure external coherence (“one UNODC” identity) at the following levels:

Policy dialogue & strategic partnering

- Providing vision, leadership and direction in respect of the global resource mobilisation strategy for all extra-budgetary resource requirements
- Understanding donor strategies, policies and budgetary instruments to achieve clarity on mutual objectives and conditions for partnerships
- Promoting and deepening strategic partnerships with the aim of diversifying the resource base of UNODC
- Analysing, identifying and understanding systematic and cyclical factors in the international environment affecting resource mobilisation
- Acting as prime interlocutor & adviser to the FOs with regard to fundraising policies and procedures.

Directing and managing donor relations

⁶⁸ Local cost-sharing by national donors in the running cost of UNODC representative offices is also a key element in the cost recovery exercise, reference chapter III.

⁶⁹ In addition, CPS has been tasked to take on the administration and management of the UN system-wide Trust Funds in respect of Maritime Piracy and Victims of Human Trafficking.

- Establishing trust through a cross-functional and coherent policy approach in the management of donor relations
- Acting as the prime channel of communications with all donors and partners to ensure consistent quality in UNODC client services
- Promotion of institutional mechanisms to conduct regular co-financing consultations with donors and partners, both at UNODC HQs and in relevant donor capitals.

Accountability & Funds Management

- Building credibility by ensuring that funding is in line with the integrated business plan and budget of UNODC (performance management)
- Clearance of all funding agreements (HQs & FOs) in compliance with agreed donor policies and UN financial & legal policies, rules and regulations
- Ensuring operational efficiency by programming all pledges (HQs & FOs) through the Funding Agreements and Donor Profile (FADP) application to ensure transparency in project funding allocations, monitoring and donor reporting.

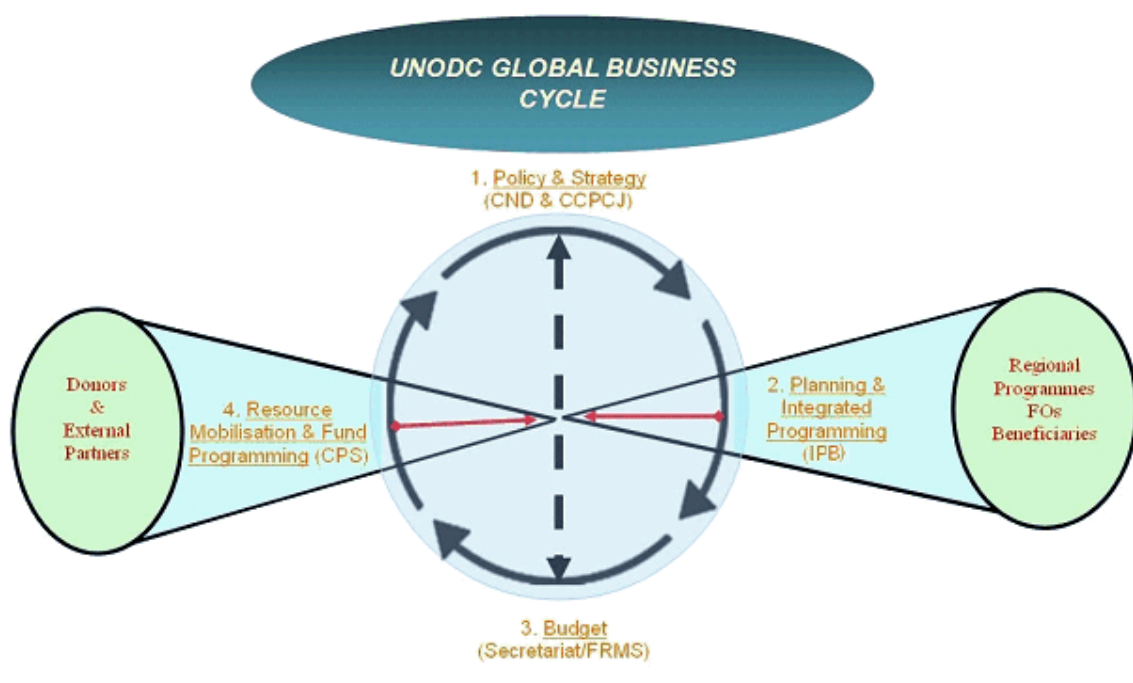
2. Internal and External Coherence

Internal coherence is a necessary condition for achieving external coherence. Donors and partners communicate and negotiate on the basis of their political constraints (or institutional governance structures), individual policies and priorities, budget structures & financial instruments, and expect from multilateral partners like UNODC to manage the ensuing policy and institutional issues in a coherent manner across the board. This horizontal oversight is fundamental to strategic partnering and funding approaches and it represents the trademark treatment donors and partners expect from the Office respectively CPS.

The bedrock for internal coherence in technical assistance delivery is the newly established integrated programme approach. The various regional programmes, though having different operational priorities, are invariably based on the vertical integration of UNODC's thematic work: research & analysis, international standards & norms (Conventions) and an assessment of technical capacity-building needs. In addition, political ownership and legitimacy are secured by the beneficiary countries which in turn is a precondition for effective participation in the "Delivering as One" (UN) process in the field. The Integrated Programming Branch in the Division for Operations (IPB/DO) has the key responsibility to manage the development and implementation of this process in close consultation with the Strategic Planning Unit (SPU)⁷⁰, thematic programmes and guided by the advice from field offices in terms of specific regional & country priorities.

Within the overall business process of UNODC, internal and external coherence thus evolves from a strict alignment between: decision-making on policy & strategy outcomes; integrated programming & prioritisation; planning & budgeting; and strategic partnering & fundraising. IPB drives the integrated programming process (internal coherence) whereas CPS leads the outreach and resource mobilisation strategies (external coherence). Based on agreed funding benchmarks, CPS and IPB have complementary roles to transform the strategic objectives and budget plans into concrete action.

⁷⁰ Having responsibility *inter alia* for managing tools in respect of programme cycle management (programme operations manual), results-based management, performance monitoring and applications for institutional learning.



Both functions are centrally concentrated at headquarters and solidly anchored in the interdivisional consultation process, such as membership of the Programme Review Committee⁷¹ and, at the same time, intimately linked to the decentralised operational processes in the field. Regarding fundraising at the decentralised level, field offices (FOs) have a prime responsibility – inter alia - to:

- Undertake and coordinate the local policy dialogue and fundraising initiatives, with central government and locally present donors/development agencies;
- Promote operational priorities within the context of agreed integrated regional and thematic programmes;
- Clarify and promote the role and programmes of UNODC in the context of the UNDAF & Deliver as One (UN) process;
- Market the expertise and operational instruments as per UNODC Menu of Services;
- Initiate and manage local cost-sharing arrangements.
- Coordinate with DPA/CPS on strategic policy missions and /or visiting donor/partner organisations;
- Manage the donor funds entrusted to them and consult with DPA/CPS on key funding issues as necessary.

A continuous liaison exists between DPA/CPS and the field offices to ensure policy coherence in managing all donor relations and ensuing agreements across the board (in different geographical

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- ⁷¹ The Programme Review Committee (PRC) – is an inter-divisional consultation mechanism that has the crucial task to review and endorse proposed operational programmes and to apply the relevant “checks and balances” in respect of emerging policy, planning, budget and funding issues in the context of agreed operational priorities. It also has the key role to monitor the programme portfolio in terms of delivery and funding and to advise the Executive Director respectively ExCom on emerging policy issues and risks.

and thematic settings) as well as to ensure consistent management of accountability, compliance and fund programming issues.

VI. CONCLUDING REMARKS

The present fundraising strategy can be seen as the final step in aligning the overall business cycle of UNODC. In terms of *change management* or *internal reform*, the Office made many important strides forward in the past few years. Strategic priorities have been redefined and condensed within seven sub-programmes of the strategic framework 2012-2015. The consolidated budget 2012-2013 reflects a system of planning and budgeting that is based on the integrated programming (thematic/regional) approach initiated by the Office in 2009. Based on an in-depth analysis, the fundraising strategy now aims to establish a baseline as well as an integral framework for resource mobilization in respect of the thematic, regional and country programmes by identifying funding benchmarks at these various (sub-) programme levels.

The fundraising strategy acknowledges that the exponential growth in extra-budgetary funding for mandated capacity-building assistance programmes has tasked the Office with an unprecedented challenge to strengthen its internal effectiveness and delivery capacity. An analytical review of the regular budget and extra-budgetary funded staff resources has identified relative weaknesses in the core infrastructure of the Office that need to be tackled in order to fulfill its ambition to become an effective delivery mechanism for the integrated programme approach. In particular, the enhancement of programme based reporting systems and further synchronization of institutional work processes between headquarters and field offices would enable a more transparent performance management framework.

In this respect, the fundraising strategy highlights six areas where UNODC particularly needs to strengthen its capacity, namely:

- i) thematic programme development and management in the sub-programmes *Justice, Health and Livelihoods, Organised Crime and Illicit trafficking*;
- ii) programme cycle management in respect of regional programmes;
- iii) policy support for technical assistance - results based management, planning and monitoring, advocacy, inter-agency support, research, fundraising and partnerships (including private sector);
- iv) programme support - financial oversight to ensure institutional accountability and compliance;
- v) change management to enhance programme level accountability - programmedesign, risk analysis, administrative and reporting systems; and
- vi) evaluation - full programme coverage and impact evaluation.

The strategy argues that the sustainability and predictability of core funding in support of the technical cooperation programme could be improved through a combination of: i) full direct cost recovery of all Office support functions deployed to implement and manage field-based programmes; and ii) strengthening of the core functions of the Office by introducing a voluntary funding mechanism that better meets the cost structure of its technical assistance programme.

The strategy identifies four possible mechanisms to enhance the core funding prospects of the Office while at the same time underlining the pivotal role that the *Financial Monitoring Group*

for Resource Planning and Monitoring could play in ensuring full accountability and transparency in resource planning, risk management and monitoring.

The benchmark framework for funding the thematic and regional programmes – based on a common analysis of needs- will help to tailor specific fundraising strategies for such programmes in a systematic and consistent manner. Consensus on a mechanism for a more sustainable and predictable system of core funding would represent the final complementary piece in the jigsaw (funding model) to position UNODC as a relevant and effective organization in delivering its challenging mandates.

Finally, the fundraising strategy outlines the critical importance of a strong institutional coordination of resource mobilization policies and initiatives at the central level. If policies, priority-setting, programming, planning and budgeting are to be aligned and integrated in the strategic framework 2012-2015, so must be the fundraising strategy. Internal and external policy coherence must be reflected in the fundraising approach of the Office at three levels: accountability and funds management; direction and management of donor relations; and the policy dialogue and strategic partnering.

While the fundraising strategy represents a final step from the overall business cycle point of view, it also signals an opportunity for entertaining a new way of working at UNODC. The agenda which it suggests in terms of investments needed by both the Office and the Member States is daunting but achievable.

ANNEX 1 - Key Budget Definitions of UNODC

Regular Budget (RB)

The regular budget is under the authority of the Secretary General and the General Assembly. RB resources are funded from assessed contributions and are intended to fund expenses that are fundamental to the existence of an organization and its institutional mandates. Such resources are provided as untied multilateral core funding⁷² and should cover the programme and activities as proposed by the SG in the biennial Programme Budget of the United Nations and approved by the General Assembly.

The regular budget has traditionally financed the administrative infrastructure and core normative work, with only limited amounts of such resources going to technical cooperation programmes. In the case of UNODC, these funds cover programme activities as submitted to the General Assembly in sections 1, 16, 22 and 28F of the United Nations proposed programme budget for the biennium 2010-2011.

Extra-Budgetary resources (XB)

Budget under authority delegated to the UNODC Executive Director and the two governing bodies, i.e. the Commission on Narcotic Drugs (CND) and the Commission on Crime Prevention and Criminal Justice (CCPCJ). XB resources are voluntary contributions and comprise general and special purpose funds.

General purpose funds (GP)

The UNODC Financial Rules (Rule 2.1) stipulate that GP funds “mean un-earmarked voluntary contributions to the UNODC Funds that are provided to finance executive direction and management, programme and programme support components of the biennial budget”. In essence, GP finances fixed indirect costs related to corporate functions that cannot be directly

⁷² Procedures and methodology are governed by General Assembly resolution 41/213 of 19 December 1986.

attributed to individual projects and that are indispensable to the development, management and oversight of those activities.

The provision of adequate GP funds for UNODC is mandated by the various resolutions. CND resolutions 46/9 and 48/3 emphasized the need to secure assured and predictable voluntary funding for the UNODC programme. Further resolutions by ECOSOC⁷³, CND⁷⁴ and CCPCJ⁷⁵ underlined the need to maintain a sustainable balance between general purpose funds and special purpose funds.

Special purpose funds (SP)

The UNODC Financial Rules (Rule 2.1) stipulate that SP funds “mean earmarked voluntary contributions to the UNODC Funds that are provided to finance technical cooperation and other activities”. All **direct** costs of SP-funded programmes should be charged directly to the relevant projects (e.g. project personnel and equipment). Special purpose funds are by far the largest portion of the UNODC budget (about 85%).

Programme support charges (PSC)

The UNODC Financial Rules stipulate that PSC “means the indirect costs recovered in support of activities financed from voluntary contributions” (Rule 2.1). Based on definitions established within the United Nations system⁷⁶, PSC are to cover the **variable or incremental indirect costs** of projects incurred to support activities financed from extra-budgetary contributions.⁷⁷

The UN collects a PSC of up to 13% on trust fund or SP fund expenditures. PSC income is only earned when the related SP fund expenditures are actually incurred and not when the contributions are received. **Indirect costs** are those that cannot be “traced unequivocally to specific activities, projects or programmes,”⁷⁸ including those incurred by services providing administrative and other support to programmes and projects financed from extra-budgetary contributions. Indirect costs can be incurred when performing the following functions: project appraisal and formulation; preparation, monitoring and administration of work-plans and budgets; recruitment and servicing of staff; consultants and fellowships; procurement and contracting; financial operations, payroll, payments, accounts, collection of contributions, investments of funds, reporting and auditing.⁷⁹

United Nations policy governing the utilization of PSC income, as defined in administrative instruction ST/AI/286 from 3 March 1982, requires that it be used in areas where a demonstrable relationship exists between a supporting activity and the (SP) activities which generated the PSC income. It directs that this income be distributed equitably between project management, programme management and central administrative functions (i.e., finance personnel and general services). PSC resources may be used for substantive backstopping of projects in technical cooperation programmes. As per ST/AI/286, PSC funds may not be utilized for purposes other than those specified above, or for categories of expenditure inconsistent with those purposes.

⁷³ Resolution 2007/12 and 2007/19 – Strategy for the period 2008-2009 for the UNODC.

⁷⁴ Resolutions 51/1 and 52/13 - Improving the governance and financial situation of the UNODC; and Resolution 52/14 – Budget for the biennium 2010-2011 for the Fund of the UN International Drugs Control Programme.

⁷⁵ Resolutions 17/2 and 18/3 – Improving the governance and financial situation of the UNODC; and Resolution 18/6 – Budget for the biennium 2010-2011 for the UN Crime Prevention and Criminal Justice Fund.

⁷⁶ CEB Finance and Budget Network

⁷⁷ Agreed by the Finance and Budget Network of the HLCM, Third Session of the Working Group on Support Costs for Extra-budgetary Activities, 11 July 2005.

⁷⁸ CEB/2005/HLCM/R.22 page 2, 29 Sept. 2005.

⁷⁹ CEB/2008/HLCM/FB/3, page 5/6, 29 Feb. 2008.

ANNEX 2 – Governance and Fundraising - The recent milestones

- **CND resolution 48/3, 11 March 2005** – “*Securing assured and predictable voluntary funding for the United Nations International Drug Control Programme*”.
- **Informal donors meeting, 19 July 2005** – Secretariat presented a discussion paper on the establishment of a “*Consultative Committee*” with the aim to streamline the dialogue with Member States on priorities, funding and accountability (“*A new Partnership Approach*”, 22 June 2005). Also, a proposal for an “*Indicative Contributions Scheme*” (16 June 2005) was presented to achieve a closer alignment between GP and SP donor contributions.
- While no consensus could be reached at the time, the above initiative facilitated the discussion and development of the new UNODC **2008-2011 Medium-Term Strategy**, adopted by the CND on 16 March 2007.
- **On 19 March 2007, the Office of Internal Oversight Services (OIOS)** issued an inspection report on the programme management and administrative practices of UNODC (MECD-2006-003) which endorsed the concept of creating a “Consultative Committee” to facilitate a global approach to fundraising.
- **JIU Report, 2007** – “*Voluntary Contributions in UN System Organisations – Impact on programme delivery and resource mobilisation strategies*”⁸⁰, highlighted the risk of increased earmarked funding distorting programme priorities and shifting the organisation’s balance of activities from its core policies.
- **Report of the Executive Director⁸¹, 18 February 2008** – “*Financial issues and difficulties faced by UNODC in implementing its mandates and an initial assessment of ways and means of improving the financial situation*”. The report recommended the creation of an intergovernmental working group and included various proposals to improve the core funding situation, including mechanisms such as the “Voluntary indicative scale of contributions system of UNEP” and the “Indicative contributions model” of UNODC.
- Establishment of **the standing open-ended intergovernmental working group on governance and finance⁸²**, spring 2009.
- **UNODC Regional Programmes: a strategic planning and implementation tool⁸³**, 19 March 2009, initiating the integrated programme approach of UNODC
- **Joint Inspection Unit (JIU) Report, 2010** – “*Review of Management and Administration in UNODC*”⁸⁴ proposed a comprehensive funding strategy to further enlarge the Office’s donor base.

⁸⁰ JIU/REP/2007/1, Geneva, July 2007 - covering the period 2000-2005.

⁸¹ Pursuant to paragraph 9 (a) of the CND resolution 50/14 and paragraph 9 (a) of the CCPCJ resolution 16/6. Based on these same resolutions, the Executive Director also submitted a paper “Deviations from the standard programme support charge of 13 per cent during the period 2005-2007”, 14 March 2008.

⁸² ECOSOC decision 2009/251. The Working Group recommends in its report adopted by resolution 52/13 of CND and resolution 18/3 of CCPCJ that “the JIU and OIOS should also closely monitor the performance of the UNODC and relevant reports should be submitted to the Commissions”.

⁸³ E/CN.7/2009/CRP.6* – E/CN.15/2009/CRP.6*

⁸⁴ JIU/REP/2010/10, December 2010.

- **OIOS Report, 15 February 2011** – ‘*UNODC governance arrangements and funding mechanisms*’, called *inter alia* for an overarching fund raising strategy to identify the total amount of resources required to fund the strategy, mandates and resolutions and to ensure sufficient core capacity to support earmarked activities.
- **CCPCJ Resolution 20/1** – recommendations of the intergovernmental working group on improving the governance and financial situation of UNODC, April 2011, in particular paragraphs 12-20.

ANNEX 3 – Overview of UNODC Donors and Funding Partners

Major Donors

Australia
AusAID Australia Federal Police Australian National Council On Drugs Department of Foreign Affairs and Trade Department of Health and Ageing Department of Immigration and Citizenship MFA
Austria
Austrian Development Agency Ministry of Foreign Affairs Ministry of Health
Belgium
FAMHP – Federal Agency for Medicines and Health Products Immigration Office Ministry for Justice Ministry of Foreign Affairs
Canada
CIDA - Canadian International Development Agency DFAIT DFAIT - ACCBP - Anti-Crime Capacity Building Program DFAIT - Afghanistan Counter Narcotics Program DFAIT - CTCB - Counter Terrorism Capacity Building DFAIT - GPSF - Global Peace and Security Fund DFAIT - HSP - Human Security Programme DFAIT - Program for Afghanistan Ministry of Health
Denmark
Danish International Development Agency
European Union
European Commission
Finland
FIMEA - Finnish Medicines Agency Ministry of Foreign Affairs Ministry of Interior Ministry of Social Affairs and Health
France
Afssaps Ministry of Foreign Affairs
Germany
BKA GTZ, Gesellschaft fuer Technische Zusammenarbeit Ministry of Economic Cooperation and Development Ministry of Foreign Affairs Ministry of Health Ministry of Justice
Ireland
Ministry of Foreign Affairs
Italy
Ministry of Foreign Affairs The Presidency of the Council of Ministers
Japan
Ministry of Foreign Affairs
Luxembourg
Fond de lutte contre le trafic stupéfiant Ministry of Finance Ministry of Foreign Affairs
Norway
Ministry of Foreign Affairs Ministry of Health and Care Services
Spain

Ministry of Foreign Affairs
Sweden
Ministry of Foreign Affairs Swedish International Development Cooperation Agency
Switzerland
Federal Department of Economic Affairs (FDEA) Federal Department of Foreign Affairs Ministry of Interior Swiss Agency for Development Cooperation, SDC Swiss medic
The Netherlands
Dutch embassies in other countries Minister of Foreign Affairs Ministry for European Affairs and International Cooperation Ministry of Foreign Affairs Ministry of Interior Affairs and Kingdom Relations - POLITE - KLPD Ministry of Foreign Affairs Ministry of Health and Care Services
Turkey
United Kingdom
Department for International Development (DFID) Drugs and International Crime Department Foreign and Commonwealth Office Human Rights, Democracy and Good Governance Group (HRDGG) The Home Office
United States of America
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Slovenia
South Africa
2008 Department of Social Development South Africa, Financial Intelligence Centre The Provincial Government of the Western Cape
Tanzania
Ministry of Finance and Economic Affairs
Thailand
Office of the Narcotics Control Board
United Arabian Emirates
National Committee to Combat Human Trafficking of the United Arab Emirates The National Rehabilitation Centre (NRC)
Venezuela
Vietnam

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UNICEF
UNICRI
UNMAS
UNOPS
WHO

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ONE UN URUGUAY
PEACE BUILDING FUND GUINEA-BISSAU
PEACEBUILDING FUND GUATEMALA
TRUST FUND TO SUPPORT INITIATIVES OF STATES TO COUNTERING PIRACY OFF THE COAST OF SOMALIA
UNDEF
UNDP/SPAIN MDG ACHIEVEMENT FUND
UNITED NATIONS
VOLUNTARY TRUST FUND FOR VICTIMS OF TRAFFICKING IN PERSONS, ESPECIALLY WOMEN AND CHILDREN
WORLD BANK / UNODC STAR TRUST FUND

ANNEX 4 –Analysis Core and Support Functions

DTA – 2012-2013					
Posts by core funds & PSC					
Sub- Programme	(1) TOC	(2) Corruption	(3) Terrorism	(7) Policy Support *	Total
RB	19	15	9	37	80
GP	1	0	0	0	1
PSC	2	0	0	0	2
Total	22	15	9	37	83
SP - TA Budget (\$mln)	129.9	42.4	20.4		192.7

* INCB (27) & SGB (10)

TABLE (4.a) DTA - SP funded positions: 58 (vacant 19)

DPA: 2012-2013			
Posts by core funds & PSC			
Sub - Programme	(6) Research & Trend Analysis	(7) Policy Support*	Total
RB	20	5	25
GP	15	3	18
PSC	1	10	11
Total	36	18	54
SP - TA Budget (\$mln)	49.7	6.0	55.7

* CPS, Advocacy & Strategic Planning

TABLE (4.b) DPA - SP funded positions: 36 (vacant 21)

DO – 2012-2013						
Posts by core funds & PSC						
Sub- Program me	DO Director*	(4) Justice	(5) Health & Livelihoods	IPB *	FOs*	Total
RB	4	9	5	2	0	20
GP	1	3	1	0	24	29
PSC	2	0	0	29	90	121
Total	7	12	6	31	114	170
SP - TA Budget (\$mln)	-	36.4	130.6	5.0	31.5	203.5

* In the 2012-2013 budget categorized under Sub-programme 4. (Justice)

TABLE (4.c) DO - SP funded positions: 20 (vacant 7)

ANNEX 5 – F und Monitoring of HQ – led Thematic Programmes

UNODC Branch/ Division	Section	Programme number	Thematic area	Programme title	Projected budget per year (millions \$)				Total Budget (millions \$)	Funding available (millions \$)	Funding requirements (millions \$)
					2012	2013	2014	2015			
Organised Crime and Illicit Trafficking Branch (DTA/OCB)	Implementation Support Section (ISS)	GLOG80	Organised Crime	Container Control Programme	1.380	1.430	2.500	2.500	7.810	2.810	5.000
		GLOT32	Organised Crime	Global Programme for Strengthening the Capacities of Member States to Prevent and Combat Organized and Serious Crimes.	2.190	2.190	3.328	3.328	11.034	4.392	6.642
		GLOX34	Organised Crime	Countering transnational illicit arms trafficking through the implementation of the United Nations Convention Against Transnational Organized Crime and its Firearms Protocol.	3.250	2.650	1.600	1.700	9.200	2.800	6.400
		TBL	Organised Crime	Countering illicit trafficking in fraudulent medicines	1.000	2.000	3.000	3.000	9.000	0.000	9.000
		GLOU40	Organised Crime	Global Programme Against Money- Laundering, Proceeds of Crime and the Financing of Terrorism (GPML)	3.500	5.070	5.070	5.070	18.710	4.700	14.010
		GLOT60	Organised Crime	Support to the Conference of the Parties to the United Nations Convention against Transnational Organized Crime	2.500	7.900	9.550	9.550	29.500	3.250	26.250
	Conference Support Section (CSS)	GLOX46	Organised Crime	A comprehensive study on cybercrime, pursuant to GA Resolution 65/230	0.770	0.420			1.190	0.160	1.030
		GLO TBC	Organised Crime	Thematic Programme on Cybercrime	0.300	0.900	0.900	0.900	3.000	0.000	3.000
		GLOT55	Organised Crime	EC Direct agreement. Promoting the implementation of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, and the Protocol against Smuggling of Migrants by Land, Sea and Air.	1.250	0.400			1.650	1.400	0.250
	Human Trafficking and Migrant Smuggling Section (HTMSS)	GLOS83	Organised Crime	Global Initiative to Fight Human Trafficking (UN.GIFT)	1.350	3.890	2.541		7.780	0.000	7.780
		GLOT59	Organised Crime	Global Programme against Trafficking in Persons (GPAT)	1.055	1.055	1.500	1.500	5.110	1.239	3.871
		GLOT92	Organised Crime	Global programme against Smuggling of Migrants (GPSM)	1.175	1.175	1.000	1.000	4.350	0.100	4.250
		GLOX42	Organised Crime	United Nations Voluntary Trust Fund for Victims of Human Trafficking	1.000	1.000	1.000	1.000	4.000	0.250	3.750
Total (OCB)					20.720	30.080	31.989	29.548	112.334	21.101	91.233

UNODC Branch/ Division	Section	Programme number	Thematic area	Programme title	Projected budget per year (millions \$)				Total Budget (millions \$)	Funding available (millions \$)	Funding requirements (millions \$)
					2012	2013	2014	2015			
Corruption and Economic Crime Branch (DTA/CEB)		GLOS48	Anti Corruption	Anti-Corruption Mentor Programme	2.000	3.500	4.500	4.500	14.500	1.100	13.400
		GLOT08	Anti Corruption	Stolen Assets Recovery (StAR) Initiative	0.750	0.750	0.750	0.750	3.000	1.300	1.700
		GLOT51	Anti Corruption	Corruption Knowledge Management and Legal Library Project	0.250	0.250	0.250	0.000	0.750	0.370	0.380
		GLOT58	Anti Corruption	Towards an effective Global Regime against Corruption / General Branch activities	2.000	2.000	2.000	2.000	8.000	4.300	3.700
		TBL	Anti Corruption	Towards an effective Global Regime against Corruption / Implementation Review Mechanism	2.060	2.060	2.060	2.060	8.240	3.000	5.240
		TBL	Anti Corruption	Towards an effective Global Regime against Corruption / Follow-up activities to the Review Mechanism	2.000	2.500	3.000	3.500	11.000	0.500	10.500
		GLOX30	Anti Corruption	The 6Ps – Public-Private Partnership for Probity in Public Procurement	0.414	0.508	0.107	0.000	1.029	1.029	0.000
		GLOX31	Anti Corruption	Outreach and Communication Programme for the United Nations Convention against Corruption	0.274	0.158	0.066	0.000	0.498	0.498	0.000
		GLOX32	Anti Corruption	Incentives to Corporate Integrity and Cooperation in accordance with the United Nations Convention against Corruption	0.374	0.505	0.095	0.000	0.974	0.974	0.000
		TBL	Anti Corruption	Anti-corruption activities targeting the private sector	1.500	1.500	1.500	1.500	6.000	0.000	6.000
TBL	Anti Corruption	Prevention of corruption	0.750	1.000	1.000	1.000	3.750	0.000	3.750		
					12.372	14.731	15.328	15.310	57.741	13.071	44.670
Terrorism Prevention Branch (DTA/TPB)		GLOX35	Terrorism prevention	Strengthening the legal regime against terrorism	8.500	9.000	10.000	10.000	37.500	2.500	35.000
		YEMX24	Terrorism prevention	Strengthening the legal regime against terrorism in Yemen	1.200	1.900	0.000	0.000	3.100	1.200	1.900
		Total (TPB)				9.700	10.900	10.000	10.000	40.600	3.700

Division for Operations (DO)	Justice Section (JS)	GLOT63	Criminal Justice Reform	Support to crime prevention and criminal justice reform (2008-2012)	3.100	3.100	3.100	3.100	3.100	12.400	1.300	11.100
		GLO900	Criminal Justice Reform		Legal advisory programme	2.300	2.300	2.500	2.500	2.500	9.600	1.900
				Total (JS)	5.400	5.400	5.600	5.600	22.000	3.200	18.800	
Drug Prevention and Health Branch (DO/DHB)	HIV/AIDS Section (HAS)	GLOG32	Health and Human Development	Drug abuse and HIV/AIDS prevention	6.500	6.500	6.500	6.500	6.500	26.000	11.307	14.693
		GLOK42	Health and Human Development	Prevention of illicit drug use and treatment of drug use disorders for children/adolescents at risk	1.000	1.500	2.000	2.500	2.500	7.000	0.000	7.000
	Prevention, Treatment and Rehabilitation Section (PTRS)	GLOK32	Health and Human Development	UNODC-WHO Programme on Drug Dependence Treatment and Care	4.400	4.533	4.667	4.667	4.467	18.067	3.218	14.849
		GLOJ71	Criminal Justice Reform	Treating drug dependence and its health consequences / OFID-UNODC Joint Programme to prevent HIV/AIDS through Treatnet Phase II	2.200	2.267	2.333	2.333	2.233	9.033	1.180	7.853
		GLOK01	Health and Human Development	Prevention of drug use, HIV/AIDS and crime among young people through family skills training programmes in low- and middle-income countries	2.000	2.500	3.000	4.000	4.000	11.500	0.216	11.284
			Total (DHB)	16.100	17.300	18.500	19.700	71.600	15.921	55.679		

Research and Analysis Branch (DPA/RAB)										
Statistics and Survey Section (SASS)		Studies and Threat Analysis Section (STAS)		Laboratory and Scientific Section (LSS)		Total (RAB)				
GLOU34	Research and trend analysis	Trends M.A.P. Support (Trends Monitoring and Analysis Programme Support): Drug Statistics and WDR	0.800	0.800	0.800	0.800	0.800	3.200	0.645	2.555
GLOU34	Research and trend analysis	Trends M.A.P. Support (Trends Monitoring and Analysis Programme Support): Promise	0.700	0.700	0.700	0.700	2.800	0.000	2.800	
GLOU34	Research and trend analysis	Trends M.A.P. Support (Trends Monitoring and Analysis Programme Support): Crime Statistics	0.350	0.396	0.396	0.396	1.537	0.308	1.229	
GLOU34	Research and trend analysis	Trends M.A.P. Support (Trends Monitoring and Analysis Programme Support)	1.690				1.690	1.690	0.000	
GLOX64	Research and trend analysis	Global Report on Trafficking in Persons	0.450	0.470	0.470	0.470	1.860	0.630	1.230	
GLOV20 (pipeline)	Research and trend analysis	Afghan Opiate Trade (covered under GLOU34 in 2012)		0.900	0.800	0.800	2.500	1.210	1.290	
Pipeline	Research and trend analysis	Transnational Organized Crime Assessments (covered under GLOU34 in 2012)		0.450	0.450	0.450	1.350	0.340	1.010	
Pipeline	Research and trend analysis	World Drug Report (covered under GLOU34 in 2012)		0.400	0.400	0.400	1.200	0.020	1.180	
GLOJ88	Research and trend analysis	Global Synthetics Monitoring: Analyses, Reporting and Trends (SMART) Programme	1.800	1.800	2.000	2.000	7.600	2.100	5.500	
GLOU54	Research and trend analysis	Global Scientific and Forensic Programme - Support Project	0.950	1.000	1.200	1.200	4.350	1.040	3.310	
GLOU98	Research and trend analysis	UNODC Support Project for Precursor Control	0.360	0.740	0.740	0.740	2.580	0.150	2.430	
						7.100	7.656	7.956	8.133	22.534

Public Affairs and Policy Analysis Branch (DPA/PAPAB)	Advocacy Section (AS)	GLOU68	Policy support	Looking Beyond: Towards a Strategic Engagement with Civil Society on Anti-Corruption, and Drugs and Crime Prevention	1.232	1.200	1.200	1.200	4.832	0.863	3.969
		GLOU42	Policy support	Enhancing Communication and Public Information	1.521	1.700	1.800	1.800	6.821	1.356	5.465
	Strategic Planning Unit (SPU)	GLOI71	Policy support	Change Management	0.889	1.270	1.270	1.270	4.699	1.248	3.451
		Total (PAPAB)				3.642	4.170	4.270	4.270	16.352	3.467
Office of the Executive Director (OED)	Independent Evaluation Unit (IEU)	GLOH92	Policy Support	Strengthening the Evaluation Unit	2.209	2.021	2.021	1.671	7.922	1.068	6.854
		Total (IEU)				2.209	2.021	2.021	1.671	7.922	1.068
Total HQ-led Thematic programmes					77.243	92.257	95.663	94.054	359.216	69.662	289.554

Annex 6 – Fund Monitoring of Regional and Country Programmes

Table 6: Funding and Monitoring of Regional and Country Programmes												
Regional Section (HQ)	UNODC FOs	Type of Programme/ Project	Sub programmes	Status	Projected budget per year (millions US\$)				Total Budget (millions \$)	Funding available (millions \$)	Funding requirements (millions \$)	
					2012	2013	2014	2015				
West and Central Asia	COAFG	Country Programme+ ongoing national projects	SP1/Research, Policy, Advocacy	to be launched	6.877	8.715	9.455	9.455	34.502	13.650	20.852	
			SP2/Law Enforcement	to be launched	8.493	8.487	8.486	8.486	33.952	9.840	24.112	
			SP3/Criminal Justice Reform	to be launched	9.683	9.683	9.683	9.683	38.732	17.300	21.432	
			SP4/Health and Human Development	to be launched	11.497	13.934	12.522	12.522	50.475	21.950	28.525	
				Total (COAFG)		36.550	40.819	40.146	40.146	157.661	62.740	94.921
	COIRA	Country Programme	Organized Crime and Illicit trafficking	ongoing	1.600	1.500	1.100	1.100	5.300	1.600	3.700	
			Health and Human Development	ongoing	1.000	0.900	0.800	0.800	3.500	2.200	1.300	
			Criminal Justice Reform	ongoing	1.200	1.300	1.000	1.000	4.500	2.000	2.500	
				Total (COIRA)		3.800	3.700	2.900	2.900	13.300	5.800	7.500
	COPAK	Country Programme	Organized Crime and Illicit trafficking	ongoing	5.300	4.600	3.600	3.600	17.100	8.600	8.500	
			Criminal Justice Reform	ongoing	10.000	6.900	6.100	6.100	29.100	5.700	23.400	
			Health and Human Development	ongoing	3.700	3.500	3.300	3.300	13.800	0.500	13.300	
				Total (COPAK)		19.000	15.000	13.000	13.000	60.000	14.800	45.200
	ROCA	Regional Projects			ongoing	4.500	5.000	5.000	5.000	19.500	13.700	5.800
					ongoing	1.170	5.000	5.000	5.000	16.170	3.570	12.600
		National projects			ongoing							
					ongoing							

Africa and Middle East										
ROEA	Regional Programme	Organized Crime and Illicit trafficking	ongoing	8,000	8,000	6,000	6,000	28,000	12,000	16,000
		Terrorism Prevention	ongoing	2,000	0.300	0.150	0.200	2,650	0.198	2,452
		Anti Corruption	ongoing	5,000	1,000	1,000	1,000	8,000	1,570	6,430
		Criminal Justice Reform	ongoing	2,000	2,000	2,000	2,000	8,000	1,200	6,800
		Health and Human Development	ongoing	1,500	1,500	1,500	1,500	6,000	2,668	3,332
			Total (ROEA)	18,500	12,800	10,650	10,700	52,650	17,636	35,014
		Organized Crime and Illicit trafficking	to be launched	2,500	3,000	3,000	3,000	11,500	1,500	10,000
		Terrorism Prevention	to be launched	0,200	0,200	0,200	0,200	0,800		0,800
		Anti Corruption	to be launched	2,000	1,500	1,500	1,500	6,500		6,500
		Criminal Justice Reform	to be launched	1,000	2,000	2,000	2,000	7,000	0,500	6,500
		Health and Human Development	to be launched	7,000	3,000	3,500	3,500	17,000	6,785	10,215
			Total (ROSASF)	12,700	9,700	10,200	10,200	42,800	8,785	34,015
		Organized Crime and Illicit trafficking	ongoing	4,300	6,300	6,800	4,100	21,500	13,084	8,416
		Terrorism Prevention	ongoing	2,500	1,500	1,500	1,000	6,500	2,040	4,460
		Anti Corruption	ongoing	4,000	5,000	5,000	5,000	19,000	9,356	9,644
		Criminal Justice Reform	ongoing	3,000	5,000	7,000	7,000	22,000	5,320	16,680
		Health and Human Development	ongoing	2,500	2,500	3,000	3,000	11,000	4,800	6,200
		Others Support Programme for the RP incl support to the Sub-Regional Offices for the Maghreb and the GCC Countries	ongoing	1,650	1,600	1,600	2,500	7,350	6,150	1,200
		Research, Policy, Advocacy	ongoing	5,000	5,000	5,000	2,000	17,000	10,000	7,000
			Total (ROMENA)	22,950	26,900	29,900	24,600	104,350	50,750	53,600
		Organized Crime and illicit trafficking	ongoing	14,000	17,000	20,000	20,000	71,000	15,000	56,000
		Anti Corruption	ongoing	1,500	2,000	2,000	2,000	7,500	0,500	7,000
		Criminal Justice Reform	ongoing	2,000	3,000	4,000	5,000	14,000	6,000	8,000
		Health and Human Development	ongoing	2,000	2,000	3,000	3,000	10,000	5,000	5,000
		Research, Policy, Advocacy	ongoing	2,500	5,000	5,000	5,000	17,500	5,000	12,500
			Total (RP)	22,000	29,000	34,000	35,000	120,000	31,500	88,500
		Central African sub-region:org crime, incl. piracy, criminal justice reform	ongoing	2,000	2,500			4,500		4,500
			Total (ROSEN)	24,000	31,500	34,000	35,000	124,500	31,500	93,000
		Organized Crime and Illicit trafficking	ongoing	8,785	6,811	6,811	6,811	29,218	29,218	0,000
		Terrorism Prevention	ongoing	0,800	0,300	0,300	0,300	1,700	0,940	0,760
		Anti Corruption	ongoing	12,052	10,000	9,600	9,600	41,252	41,252	0,000
		Criminal Justice Reform	ongoing	7,500	7,500	7,500	7,500	30,000	29,000	1,000
		Health and Human Development	ongoing	2,919	2,919	2,919	2,919	11,676	11,676	0,000
			Total (CONIG)	32,056	27,530	27,130	27,130	113,846	112,086	1,760
			Total (AME)	110,206	108,430	111,880	107,630	438,146	220,757	217,389

South Asia, East Asia & the Pacific													
ROSA	Regional Programme for South Asia	Organized Crime and Illicit trafficking	ongoing	0.184	0.300	0.300	0.300			0.750		0.185	0.600
		Health and Human Development	ongoing	2.381	1.910	1.900	1.900	1.900			8.091	3.287	4.803
		Organised Crime and Illicit trafficking	to be launched	1.640	2.369	1.269	1.269				5.279		5.279
		Anti Corruption	to be launched	0.250	0.500						0.750		0.750
Total (ROSA)													
		Illicit trafficking	ongoing	7.577	6.098	6.500	7.000	1.900	3.469	14.904	3.472		11.432
		Governance	ongoing	3.370	1.260	1.500	2.000	2.000	1.500	8.130	4.525		3.605
		Criminal Justice Reform	ongoing	3.260	1.892	2.000	2.500	2.500	2.000	9.652	5.395		4.257
		Drug Demand Reduction	ongoing	1.209		1.000	1.000	1.000	1.000	3.209	1.104		2.105
		HIV/AIDS	ongoing	2.102	0.902	0.500	1.000	1.000	0.500	4.504	2.882		1.622
		Sustainable Livelihoods	ongoing	5.315	6.061	6.500	5.500	5.500	6.500	23.376	9.775		13.601
		Policy Support	ongoing	2.031	0.105	2.000	2.000	2.000	2.000	6.136	2.183		3.953
Total (RCEAP)													
Total (SAEAP)													
South East Europe	Regional Programme for Balkan States	Organized Crime and Illicit trafficking		2.443	2.443	1.025	1.025	1.025	1.025	6.936	0.695		6.241
		Criminal Justice Reform		2.008	2.008	1.250	1.250	1.250	1.250	6.516	0.780		5.736
		Health and Human Development		0.505	0.505	0.100	0.100	0.100	0.100	1.210	0.410		0.800
Total (SEE)													
		Organized Crime	ongoing	0.700	0.600	0.600	0.600	0.600	0.600	2.500	0.700		1.800
		Terrorism Prevention	ongoing	0.300	0.300	0.300	0.300	0.300	0.300	1.200	0.300		0.900
		Anti-corruption	ongoing	0.400	0.300	0.300	0.300	0.300	0.300	1.300	0.300		1.000
		Criminal Justice Reform	ongoing	1.600	1.500	1.500	1.500	1.500	1.500	6.100	1.600		4.500
		Health and Human Development	ongoing	30.500	21.800	21.800	21.800	21.800	21.800	95.900	30.500		65.400
Total (COCOL)													
73.600													
Note COCOL: For legal/operational reasons well known to HQs, the Colombian Government is not allowed to commit funds beyond the present year, in this case 2012. However, these estimates are based on conservative and real forecasts of future funding streams, based on ongoing discussions with counterparts. As in previous such exercises, the actual yearly budget will most likely be higher than those forecasted here.													

South East Europe, Latin America and the Caribbean												
COBOL	National Projects	9 projects	ongoing	"Transparency and citizen participation in municipal governance"								
				Total (COBOL)		2.546	3.050	2.717	2.010	10.323	3.940	6.383
ROPER	Regional and National Projects	Programmes for Ecuador		Ongoing	0.030	0.500	0.500	0.500	0.500	1.530	0.030	1.500
		Crime Prevention & Public security		Ongoing	0.600	0.800	0.800	0.800	0.800	3.000	0.900	2.100
		Alternative Development		Ongoing	5.300	4.500	4.000	4.000	4.000	17.800	6.800	11.000
		Health and Human Development		Ongoing	0.600	0.700	0.800	0.800	0.800	2.900	0.600	2.300
		Research & Trend Analysis		Ongoing	1.700	2.100	2.500	2.500	2.500	8.800	4.300	4.500
				Total (ROPER)		8.230	8.600	8.600	8.600	34.030	12.630	21.400
ROMEX	Regional and National Projects	Organized Crime		Ongoing	1.938	3.000	4.000	4.000	4.000	12.938	4.000	8.938
		Terrorism Prevention		Ongoing	0.300	0.300	0.300	0.300	0.300	1.200	0.600	0.600
		Anti Corruption		Ongoing	0.212	1.200	2.000	2.000	2.000	5.412	0.210	5.202
		Criminal Justice Reform		Ongoing	1.453	2.000	3.000	3.000	3.500	9.953	3.500	6.453
		Health and Human Development		Ongoing	1.584	2.000	2.000	3.000	3.000	8.584	2.500	6.084
				Total (ROMEX)		5.487	8.500	11.300	12.800	38.087	10.810	27.277
ROPAN	Regional Programme for Central America and projects in the Caribbean	Organized Crime		Ongoing	3.000	3.000	5.000	6.000	6.000	17.000	4.000	13.000
		Terrorism Prevention		Ongoing	0.070	0.070	0.070	0.070	0.070	0.280	0.070	0.210
		Anti Corruption		Ongoing	0.600	1.500	2.000	2.000	2.000	6.100	0.600	5.500
		Criminal Justice Reform		Ongoing	1.500	3.000	3.000	3.000	3.000	10.500	2.000	8.500
		Health and Human Development		Ongoing	0.700	1.500	1.500	1.500	1.500	5.200	0.700	4.500
				Total (ROPAN)		5.870	9.070	11.570	12.570	39.080	7.370	31.710
ROBRA	Regional and National Projects	Health and Human Development		Ongoing	9.537	13.438	10.429	2.000	2.000	35.404	3.663	31.741
		Governance & Justice		Ongoing	2.808	3.361	2.222	0.750	0.750	9.140	0.440	8.700
		Crime Prevention & Public security		Ongoing	1.659	2.177	0.000	0.000	0.000	3.835	2.944	0.891
		South-South Cooperation		Ongoing	0.663	0.912	0.912	0.000	0.000	2.486	0.892	1.594
		Policy Support		Ongoing	0.334	0.250	0.250	0.250	0.250	1.084	0.084	1.000
				Total (ROBRA)		15.000	20.137	13.812	3.000	51.950	8.023	43.927
				Total (SEE & LAC)		75.589	78.813	74.875	65.855	295.131	78.058	217.073
				Total (UNODC)		289.134	289.659	282.370	268.531	1129.694	453.397	676.297