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**Commission on Narcotic Drugs**

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Item 9 of the provisional agenda\*

**Strengthening the United Nations International Drug  
Control Programme and the role of the Commission on  
Narcotic Drugs as its governing body**

**Securing assured and predictable funding for the United  
Nations International Drug Control Programme****Report of the Executive Director\*\*****I. Introduction**

1. In paragraph 14 of its resolution 46/9, entitled “Securing assured and predictable funding for the United Nations International Drug Control Programme”, the Commission on Narcotic Drugs requested the Executive Director to report to it at its forty-seventh session on progress made in the implementation of that resolution. The present report has been prepared pursuant to that request; it provides an overview on the status of implementation of the resolution at 31 January 2004.

**II. Implementation of Commission on Narcotic Drugs  
resolution 46/9****Paragraph 8 (a)**

2. In paragraph 8 (a) of its resolution 46/9, the Commission invited the Executive Director to review, in consultation with the Secretary-General, whether the resources from the regular budget of the United Nations allocated to the United Nations International Drug Control Programme for the implementation of its

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\* E/CN.7/2004/1.

\*\* The present report was submitted late with respect to the forecasted submission date according to the slotting system, due to the fact that the data and other information required for the report were obtained after the deadline.



functions arising from the international drug control treaties and other mandates were commensurate with the relevant requirements and to report to the Commission at its reconvened forty-sixth session.

3. The report of the Executive Director on the consolidated budget for the biennium 2004-2005 for the United Nations Office on Drugs and Crime (E/CN.7/2003/20 and Add.1) contains a summary of the Secretary-General's proposed budget for the biennium 2004-2005 for section 17 (International drug control) of the regular budget of the United Nations. The proposal was arrived at after due consultation with the Executive Director in early 2003; it shows a real resource growth of 5.7 per cent over the biennium 2002-2003. However, at the last meeting of its fifty-eighth session, in 2003, the General Assembly approved a real resource growth of only 1.1 per cent, rejecting additional posts (three at the Professional level and one at the General Service level) that were contained in the Secretary-General's proposal. As part of the new strategic framework for the biennium 2006-2007, the Executive Director will endeavour to request additional resources, including posts under the regular budget for the United Nations Office on Drugs and Crime on the basis of legislative mandates and in order to alleviate the existing burden on general-purpose funds, which are scarce. As part of the normal budgeting cycle, further consultations, taking into full consideration Commission resolution 46/9, will be held in early 2005 when the regular budget for the biennium 2006-2007 will be prepared along the lines of the strategic framework.

#### **Paragraph 8 (b)**

4. In paragraph 8 (b) of its resolution 46/9, the Commission invited the Executive Director to report on the reconfiguration of the field network of the United Nations International Drug Control Programme and to examine the impact of a possible funding of field offices in the framework of projects rather than through general-purpose funds.

5. In the approved budget of the Fund of the United Nations International Drug Control Programme for the biennium 2004-2005, the support budget shows a volume or real decrease of 6.7 per cent compared with the biennium 2002-2003. Further details are provided in section VII of the report of the Executive Director on the consolidated budget (E/CN.7/2003/20), on management measures being undertaken to achieve more synergy and efficiency through structural and other management reforms, including the reconfiguration of the field network and, where feasible, the establishment of project offices rather than field offices.

#### **Paragraph 8 (c)**

6. In paragraph 8 (c) of its resolution 46/9, the Commission invited the Executive Director to report on the implications of the recommendations contained in the report of the Joint Inspection Unit entitled "Support costs related to extrabudgetary activities in organizations of the United Nations system" (A/57/442).

7. The United Nations Office on Drugs and Crime is about to complete the development of a time-measurement methodology in the Division for Management. It is planned to introduce the methodology in other divisions of the Office, as well as in its field network, over the coming months, when a pilot project is to be launched by its Regional Office for Central Asia, located in Tashkent. Taking into

account the more accurate and relevant data to be generated by such a system and the common policy being developed by the Office of the Controller, the Secretariat will be in a better position to make proposals to the Commission on Narcotic Drugs on the practical implementation of these recommendations.

**Paragraph 8 (d)**

8. In paragraph 8 (d) of its resolution 46/9, the Commission invited the Executive Director to explore ways and means of obtaining financial donations, including general-purpose funds, from the private sector and non-governmental organizations, in addition to those provided by Member States, in order to facilitate the sharing of both commitment and resources to achieve the goals of the United Nations International Drug Control Programme, bearing in mind the need to safeguard the independence and the international character of the Programme and the experiences of other United Nations entities and the Global Compact.

9. There has been significant success in mobilizing resources. Resources have been mobilized under cost-sharing arrangements with some Latin American countries (Bolivia, Mexico and Peru) and some African countries (Egypt, the Libyan Arab Jamahiriya and Nigeria). Most notably, Brazil contributed \$18.2 million for the biennium 2002-2003 and a further \$18.5 million is projected for the biennium 2004-2005. Important cost-sharing agreements are currently under negotiation with China, Mexico and the Russian Federation.

10. The Organization of the Petroleum Exporting Countries Fund for International Development (OPEC Fund) made an initial contribution in 2003 of \$150,000 for the project "Drug abuse preventive education and health promotion in schools in Bolivia" (BOL/D80).

11. As a result of continuing efforts at good governance during the biennium 2002-2003, general-purpose income rose from \$15 million in 2002 to \$18.5 million in 2003, representing an increase of 23 per cent. Increased general-purpose income, coupled with cost-saving measures introduced from mid-2002 onwards, prevented a potential deficit in the general-purpose fund during 2003, with the balance restored at above a minimum of \$8 million.

12. Funds from the Drug Abuse Prevention Centre (DAPC) of Japan have been mobilized on an annual basis. Those funds are collected by DAPC volunteers and are submitted every year to the United Nations Office on Drugs and Crime in order to support non-governmental organizations in developing countries whose activities fall within the demand reduction category and are in line with criteria outlined by DAPC. Those funds average \$300,000 annually and each of those non-governmental organizations receives a grant from that contribution ranging from \$5,000 to \$20,000.

13. The relationship between the United Nations Fund for International Partnerships (UNFIP) and the United Nations Office on Drugs and Crime has progressed since 1998. In 2003, UNFIP supported projects in the field of HIV/AIDS prevention in India and the Russian Federation with a total value of more than \$400,000.

14. The vision of the Global Compact is to contribute to a more inclusive and stable global market by encouraging the international business community to

introduce universal principles of human rights, labour, the environment and development into its strategic vision and daily practices. The principles in the areas of human rights, labour and environment overlap with the mandates and the work being carried out by the United Nations Office on Drugs and Crime in the fight against organized crime and drugs. In addition, the Office has promoted the inclusion of the fight against corruption among the principles of the Global Compact.

**Paragraph 8 (e)**

15. In paragraph 8 (e) of its resolution 46/9, the Commission invited the Executive Director to ensure that project proposals developed by the United Nations International Drug Control Programme and its fund-raising policy take into account both the direct and applicable indirect costs of projects, including the financial burden on the support budget.

16. Further time-work analysis is being undertaken to reduce the financial burden on the support budget by more rational charging of direct and indirect project costs in line with the common policy being developed by the Office of the Controller.

**Paragraph 8 (f)**

17. In paragraph 8 (f) of its resolution 46/9, the Commission invited the Executive Director to apply a policy on the implementation of projects that reflected the recommendations contained in the report of the Board of Auditors<sup>1</sup> and took into account paragraph 8 (e) of that resolution.

18. In light of audit recommendations and United Nations accounting standards and policies, the current project funding policy is currently being reconsidered with a view to issuing a revised management instruction on the subject by 31 March 2004.

**Paragraph 8 (g)**

19. In paragraph 8 (g) of its resolution 46/9, the Commission invited the Executive Director to report on the usefulness and implications of having a support budget fund and a general programme budget fund and possible guidelines for them.

20. The budget of the Fund of the United Nations International Drug Control Programme approved for the biennium 2004-2005 contains separate support and core programme budgets, which, in addition to rationalizing the budget structure, also allow donors unable to contribute general-purpose funds to be able to contribute special-purpose funds.

**Paragraph 8 (h)**

21. In paragraph 8 (h) of its resolution 46/9, the Commission invited the Executive Director to produce concise annual appeal and report documents, using available voluntary contributions earmarked for that purpose, taking into account the experience of organizations of the United Nations system and other international organizations.

22. In the absence of any earmarked contributions being received for this purpose, the United Nations Office on Drugs and Crime has used available resources to produce other necessary reports. However, the Office will examine the feasibility of

attracting earmarked funding, based on the experiences of other United Nations entities.

*Notes*

- <sup>1</sup> *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5I and corrigendum (A/57/5/Add.9 and Corr.1).*
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