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

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**Report of the Executive Director**

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\* E/CN.7/2003/1.



## **I. Introduction**

1. In its resolution 45/17, entitled “Strengthening the United Nations International Drug Control Programme and the role of the Commission on Narcotic Drugs as its governing body”, the Commission on Narcotic Drugs requested the Executive Director to submit to the Commission at its forty-sixth session a report on the progress made in the implementation of the resolution. The present report is submitted pursuant to that request.

## **II. Strengthening the dialogue between Member States and the United Nations International Drug Control Programme**

2. In its resolution 45/17, recalling its resolution 44/16, in which it had called for continued improvement in the management of the United Nations International Drug Control Programme (UNDCP) and a strengthened dialogue with Member States and encouraged by efforts to strengthen dialogue between Member States and the Secretariat on the priorities and management of UNDCP, the Commission on Narcotic Drugs called for the continued implementation of resolution 45/16 by the Programme and the Commission; and urged the Programme to continue the reform undertaken, based on Commission resolution 44/16 and the recommendations contained in the reports of the Office of Internal Oversight Services (A/56/83 and A/56/689), the Board of Auditors and the Joint Inspection Unit (A/57/58).

### **Action taken**

3. Several initiatives have been taken to strengthen the dialogue with Member States, as well as between Member States, on the priorities and management of UNDCP. Five intersessional meetings of the Commission have been held since the forty-fifth session, in 2002, and four intersessional meetings are scheduled for 2003 prior to the forty-sixth session. Those meetings were often preceded by meetings of the extended bureau of the Commission, six of them in 2002, which provided an opportunity for Member States to review the programme of work of the Commission, to hold broad consultations on operational issues involving donor and recipient countries and to provide policy guidance to the Programme on a continuous basis. Through that mechanism, the Commission fulfilled its role as the governing body of UNDCP and as a treaty organ during the intersessional period. For example, in order to facilitate closer and direct consultations between Member States, the intersessional meetings of the Commission convened three working groups to address the following issues: (a) substantive and organizational issues related to the ministerial-level segment of the Commission; (b) thematic evaluation for determining best practices in alternative development; and (c) options for securing assured and predictable funding to the Fund of the United Nations International Drug Control Programme. The working groups reported to the intersessional meetings, which reviewed the various proposals and initiatives.

### **III. Improving the effectiveness of the work of the Commission on Narcotic Drugs**

4. In paragraph 4 of its resolution 45/17, the Commission on Narcotic Drugs reaffirmed its governing role in the UNDCP budget process, which included advising the Programme in the preparation and implementation of the biennial budget and the management of the resources of the Programme, on the basis of the priorities established by Member States and taking into account the work of the Planning and Evaluation Unit and the recommendations of the Office of Internal Oversight Services; requested the Programme to present substantive, concise and timely briefings and, when appropriate, reports to all Member States; and decided that the intersessional meeting could, when appropriate, advise the Commission on the modalities to fulfil its functions in that respect.

#### **Action taken**

5. In compliance with the rules governing the issuance of documentation for intergovernmental meetings, the documents for the forty-fifth session of the Commission were made available to Member States six weeks prior to the meeting. The documents for the forty-sixth session will also be made available six weeks prior to the meeting. The bureau of the Commission for the forty-fifth session, following its election in March 2002 pursuant to Economic and Social Council resolution 1999/30 of 28 July 1999, held regular consultations to prepare for the normative, operational and ministerial segments of the forty-sixth session of the Commission.

6. Pursuant to paragraph 5 of resolution 45/17, the Secretariat made presentations on the preparation of the UNDCP biennial budget and on the funding situation of the Programme, in particular the impact that the availability of general-purpose contributions was having on its ability to plan ahead, on its activities as well as on staff, and on measures being planned and implemented to address the situation.

### **IV. Operations and management of the United Nations International Drug Control Programme**

7. In resolution 45/17, the Commission reaffirmed the role of the Executive Director of UNDCP in coordinating and providing effective leadership for all United Nations drug control activities so as to increase cost-effectiveness and ensure coherence of action, as well as coordination, complementarity and non-duplication of such activities throughout the United Nations system, in particular with the Centre for International Crime Prevention; welcomed the implementation of the planned system of financial management to allow UNDCP and Member States to assess the cost, impact and effectiveness of the operational activities of the Programme and to contribute to the implementation of result-based budgeting, and looked forward to continued development of the system; and called for continued improvement in personnel management and recruitment, taking into account the principle of equitable geographical representation so as to further enhance the morale and the efficient and effective performance of the staff of the Programme

and requested the Secretariat to provide information on existing posts in the Programme.

## **Action taken**

### **1. Coordination and leadership of United Nations drug control activities**

8. Pursuant to paragraph 8 of resolution 45/17, UNDCP continued promoting the mainstreaming of drug control considerations in the work of other agencies. The Programme is promoting those considerations in the United Nations system in part through its support for the implementation of the United Nations Millennium Declaration (General Assembly resolution 55/2) and as a member of the Millennium Project task force on poverty and economic development. That task force is addressing cross-cutting issues such as human rights, governance, drugs and crime. UNDCP will continue its efforts to raise awareness of the direct and indirect impact of drug-related issues on the agendas of entities throughout the United Nations system.

### **2. Implementing the Programme and Financial Information Management System**

9. UNDCP continued to enhance the functioning of the Programme and Financial Information Management System (ProFi) in accordance with the recommendations of the Office of Internal Oversight Services and the Board of Auditors to UNDCP that it replace its existing, outdated financial management system in order to ensure adequate monitoring of and control over the funds entrusted to it. ProFi is based on an industry standard enterprise resource planning tool and has been fully technically operational since March 2002. It provides managers with access to real-time data on the financial status of all projects, including funding, budget and expenditure. Member States have also been provided access via the Internet to financial status reports. During November 2002, UNDCP conducted four training sessions on ProFi Internet reporting for Member States, with a total of 43 participants from 33 permanent missions to the United Nations (Vienna). Subject to the availability of extrabudgetary resources, a second phase for the system is expected to start in 2003 that will complement the financial management data with information on programme and project activities and results.

### **3. Result-based budget approach**

10. UNDCP has moved to a result-based management framework, focusing on performance and achievement of objectives. This involves explicit definition of achievable objectives at the programme and project level, linking objectives to mandates, in particular the action plans and measures agreed upon by the General Assembly at its twentieth special session. The first result-based programme budget for the biennium 2002-2003 for the Fund of the Programme was approved by the Commission at its reconvened forty-fourth session. At the project level, ProFi will systematize substantive monitoring across UNDCP and information will be made accessible to all managers, who will have access via the Intranet to project status and monitoring reports.

11. Pursuant to paragraph 10 of resolution 45/17, a series of measures were taken to enhance personnel management, recruitment and staff motivation, one of the

challenges facing the United Nations Office on Drugs and Crime. Several initiatives were taken to increase the transparency of decisions, in particular the establishment of an executive committee empowered to take all main decisions in a collegial, transparent and accountable manner. The Executive Director conducted meetings with the Staff Council and three “town hall” meetings with the staff at large. Other measures have been introduced to improve the work environment, including the adoption of work/life policies and the appointment of an ombudsman. A United Nations Office at Vienna/United Nations Office on Drugs and Crime 2002 Staff Development and Training Plan was formulated following consultations with all divisions. Of critical importance to retaining the most qualified personnel and maintaining a high level of motivation is the contractual status and employment stability of staff. Owing to the depletion of the general fund balance, staff funded by the Fund of the Programme were given six-month contracts as a contingency measure. Member States have been invited to contribute to the general fund balance in order to ensure that there is sufficient funding to guarantee employment stability and career opportunities for staff funded from the Fund of the Programme. As part of his information-sharing initiative, the Executive Director and Director-General has provided Member States with access via the Internet to the staff lists of the Organization, which includes the composition of the Secretariat entities in Vienna, as well as of UNDCP.

12. Improved human resource management, in particular recruitment, is the foundation for effective programme delivery. Human resource management in UNDCP has been improved, in compliance with the Secretary-General’s vision for human resource management based on the principles of transparency, mobility, geographical and gender representation and performance appraisal. To address the concerns to staff and to ensure that a competitive process and transparency prevails in recruitment, all vacancies are advertised and selection is made following a competency-based interview process. Since 1 May 2002, recruitment has been effected in compliance with the new staff selection policy approved by the General Assembly. That initiative addressed the Organization’s need to fill vacancies expeditiously by empowering programme managers with the selection process. The posts funded by the Fund of the Programme, whether reflected in the budget of the Fund or as posts to support specific technical assistance projects, are technically not subject to geographical distribution. The Executive Director has however requested that geographical representation be a criterion in the selection process, as with posts funded from the regular budget of the United Nations. The distribution of posts in UNDCP during the biennium 2002-2003, regardless of the source of funding, is before the Commission in annex I to the report of the Executive Director on the proposed revised budget for the biennium 2002-2003 (E/CN.7/2003/15).

13. On 18 December 2002, the Executive Committee adopted the final text of the terms of reference for field offices of the United Nations Office on Drugs and Crime. An exercise in the reprofiling of field offices is under way and once this and the reorganization of the Office are completed, a revised organization chart and Secretary-General’s bulletin on the organization of the Office will be issued. Parallel to those efforts, a proposed functional structure has been suggested. This will be developed further by means of a review of the mandates, activities and resources of each division, a process that began in early 2003.

#### **4. Maximizing the effectiveness of the Programme**

14. To maximize the effectiveness of the Programme, as requested by the Commission in its resolutions 44/16 and 45/17, programme oversight and monitoring continued to be strengthened through the institution of procedures for the evaluation of activities at the thematic and programme levels, as well as of individual projects. An Executive Committee has been established to assist the Executive Director in making decisions on strategic management issues concerning the United Nations Office on Drugs and Crime. In addition to the regular sessions of the Executive Committee, senior staff meetings also provide a mechanism for management coordination, open discussion on policy matters and transparent decision-making. During the year under review an informal working group prepared revised management instructions, adapting existing ones to the needs of the United Nations Office on Drugs and Crime and reflecting, *inter alia*, recommendations of the Office of Internal Oversight Services, for the consideration and approval of management. That process, however, had been suspended pending completion of the internal management review and reorganization of the United Nations Office on Drugs and Crime.

15. Following the change in management in May 2002, Member States and staff of the United Nations Office on Drugs and Crime welcomed a management commitment to improve: (a) governance; (b) funding; (c) operations; (d) staff management relations; and (e) communications. To implement—in part—that commitment, task forces composed of a cross-section of staff members were asked to define the Office's operational priorities for the medium term. At a meeting held on 17 December 2002, Member States endorsed the new operational priorities for the Office contained in the document entitled "Operational priorities: guidelines for the medium term" of 20 January 2003. The Office will accordingly be reorganized to pursue the following set of operational priorities: (a) to pursue an integrated approach to drug and crime issues; (b) to place drug and crime issues in the context of sustainable development; (c) to balance prevention and enforcement activities; (d) to select operations on the basis of knowledge and strategic vision; (e) to help establish institutions that promote international best practices; and (f) to leverage resources to exploit the power of partnership. The Office will be reorganized to enable it to implement those operational priorities efficiently. Among the objectives of reorganization are reductions in administrative costs, with funds and staff redeployed, especially to field operations. The Office will seek to design new, more imaginative projects within a strategic framework and deliver good value for money. This should encourage Member States to forego unnecessarily strict earmarking of the resources they contribute voluntarily.

#### **5. Establishment of the Programme and Project Committee**

16. The Programme and Project Committee of the United Nations Office on Drugs and Crime was established in March 2001 to serve as a corporate mechanism to review programme and project proposals. Staff at the headquarters of the Office are responsible for assessing the technical merits, budgetary soundness and funding prospects of each proposal. The Committee is responsible, *inter alia*, for assessing project ideas, reviewing the related feasibility studies, evaluating funding potential and assessing the proposed modality of execution, as well as the consultations that have taken place with the implementing partner, as applicable. The terms of

reference of the Committee are contained in the Executive Director's management instruction of 15 March 2001 (ODCCP/MI/11). In 2002, the Committee recommended for approval a total of 83 proposals. (In this context, it should be noted that project ideas reviewed and endorsed by the Committee and subsequently reviewed as full-fledged project documents are counted only once.)

17. During the biennium 2002-2003, UNDCP will strengthen its capacity to monitor successes and failures in meeting the overall United Nations goals of substantially reducing the global supply of and demand for illicit drugs, to evaluate the impact of its programmes and to identify best practices in drug control and to report more systematically on global, regional and national trends, as well as on the progress of its programmes. This will be done in the framework of the result-based budget approach. In addition to regular monitoring, periodic in-depth evaluation will be fully integrated into the result-based budget framework.

## **6. Project execution**

18. Modalities for the execution of projects are identified and adopted on a project-by-project basis depending on which entity is best placed to deliver the most cost-effective substantive, managerial and administrative support services. To deliver its technical assistance portfolio, UNDCP relies extensively on national execution modalities and other United Nations entities, such as the Food and Agriculture Organization of the United Nations, the World Health Organization and the United Nations Children's Fund, the Customs Cooperation Council (also known as the World Customs Organization) and non-governmental organizations, according to their respective expertise. When justifiable, execution by UNDCP is chosen, relying on implementing partners to handle administrative matters. The United Nations Development Programme (UNDP) and the United Nations Office for Project Services are used for support to field offices and projects, respectively, in areas such as local recruitment, procurement and subcontracting. At headquarters, the United Nations Office at Vienna handles all such matters. As recommended by the Office of Internal Oversight Services, the United Nations Office on Drugs and Crime has prepared guidelines on criteria to facilitate selection of execution arrangements and has set up a mechanism for documenting the selection of specific execution modalities for all projects and programmes submitted to the Programme and Project Committee. In 2002, the Office concluded a substantive and thorough revision of a new working arrangement with UNDP, as recommended by the Office of Internal Oversight Services, which was presented to UNDP in August 2002. Detailed discussions commenced at the close of 2002 and should continue during 2003.

## **V. Funding of the United Nations International Drug Control Programme**

19. In its resolutions 44/16 and 45/17, the Commission on Narcotic Drugs urged all Governments to provide support to UNDCP, including financial support, to the fullest extent possible; noted the increased number of cost-sharing arrangements, and requested the Executive Director to continue efforts, in cooperation with Member States, to broaden the donor base and increase voluntary contributions to the Fund of the Programme, including the general-purpose fund; and requested the

Executive Director to prepare as soon as possible a report evaluating the situation of the support budget and the general-purpose funds of UNDCP and containing options for securing assured and predictable funding, so that the Commission might begin its consideration of his report at one of its earliest intersessional meetings and conclude that discussion at its forty-sixth session, bearing in mind the voluntary nature of contributions to the Fund.

### **Action taken**

20. At its fourth intersessional meeting, the Commission established a working group to examine different options for securing assured and predictable funding to the Fund of the Programme. The working group, chaired by the representative of Italy, held four meetings during which Member States discussed various funding modalities, reviewed the various proposals and agreed on a set of funding options that are before the Commission in a draft resolution for its consideration.

21. UNDCP is in the process of preparing a new fund-raising strategy, targeting, inter alia, foundations and the private sector through partnership-building and various funds. The field offices will be active in promoting fund-raising activities at the local level. Considerable success has been achieved in mobilizing resources under cost-sharing arrangements, for example with four Latin American and some African countries. Cost-sharing arrangements are normally worked out in connection with a loan taken by the Government concerned from a multilateral lending institution. A portion of the borrowed funds is then provided to UNDCP by the Government for specific projects in the country. Cost-sharing arrangements of that type are indicative of the greater role being played in drug control by the international lending institutions. For example, both the World Bank and the Inter-American Development Bank have granted loans to Latin American countries for drug control work. The Asian Development Bank is providing a loan to the Lao People's Democratic Republic for economic development in areas affected by the illicit cultivation of opium poppy. UNDCP funds a portion of the same project as part of its alternative development activities. The overall project has been designed collectively with the Lao authorities. The Libyan Arab Jamahiriya is contributing the full cost of a UNDCP multisectoral drug control assistance project in that country. With the signing of agreements on funding programmes dealing with the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and drug abuse, inter-agency cooperation between UNDCP and the Joint United Nations Programme on HIV/AIDS is growing. Those initiatives underline the role of UNDCP as a catalyst for mobilizing resources from a variety of sources, whether or not the funds ultimately come through the Programme itself.

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