

**Economic and Social Council**Distr.: General
26 February 2003

Original: English

Commission on Narcotic Drugs

Forty-sixth session

Vienna, 8-17 April 2003

Item 9 of the provisional agenda*

Administrative and budgetary questions**Proposed revised budget for the biennium 2002-2003 and proposed outline for the biennium 2004-2005 for the Fund of the United Nations International Drug Control Programme****Report of the Advisory Committee on Administrative and Budgetary Questions****

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director on the proposed revised budget for the biennium 2002-2003 and the proposed outline for the biennium 2004-2005 for the Fund of the United Nations International Drug Control Programme (E/CN.7/2003/15). During its consideration of the report, the Advisory Committee exchanged views with the Executive Director and other senior officials of the United Nations International Drug Control Programme (UNDCP), who provided additional information.

2. The report of the Executive Director contains the proposals for the revised support and programme budgets for the biennium 2002-2003 and the budget outline for the biennium 2004-2005. The revised support budget for the biennium 2002-2003 amounts to \$34,243,500, reflecting a nominal decrease of \$1,142,900, or 3.3 per cent, compared with the initial support budget for the biennium 2002-2003 of \$35,386,600. The revised budget for the biennium 2002-2003 includes a proposed volume decrease of \$1,484,200, or 4.2 per cent, and cost changes of \$341,300, or 1 per cent, compared with the initial budget for the biennium 2002-2003 (E/CN.7/2003/15, table 5).

* E/CN.7/2003/1.

** The present report was submitted after the date required by the 10-week rule as the meeting of the Advisory Committee on Administrative and Budgetary Questions was held on 7 February 2003.



3. As indicated in paragraph 29 and annex I of document E/CN.7/2003/15, the total number of posts under the revised support budget for the biennium 2002-2003 would be increased from 203 to 205 posts. The proposal includes the creation of a programme management officer post at the P-4 level and a national programme officer post for the Country Office in Afghanistan. At the field level, the number of posts would be consequently increased from 113 to 115. In addition, it is proposed to upgrade the post of Project Coordinator for the Regional Centre in Thailand from P-2 to P-3. At headquarters, the total post requirements would remain at 90 (41 for programme support and 49 for management and administration). The Advisory Committee has no objection to these proposals.

4. The Advisory Committee recalls that, in paragraph 5 of its report (E/CN.7/2001/18), it indicated that the current practice of presenting revised estimates with the proposed outline should be eliminated, unless there were substantial increases or changes in the operations of the programme and the support budget, requiring considerable revision. As indicated above, the Committee notes that the present revised estimates for the support budget for the biennium 2002-2003 show a downward revision of \$1.1 million, or 3.3 per cent, compared with the initial support budget. In addition, the Committee observes that the Executive Director is authorized to transfer resources in the support budget between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed. Under the circumstances, the Committee reiterates its recommendation to eliminate the current practice of presenting revised estimates for the support budget, in conjunction with the presentation of the outline, if there are no substantial increases or changes in the operation of the programme and support budget that would require considerable revision.

5. The outline for the biennium 2004-2005 is presented in part four of the report. The outline amounts to \$170.9 million for the biennium 2004-2005, compared with the revised budget for the biennium 2002-2003 of \$166.4 million, reflecting an increase of \$4.5 million, or 2.7 per cent (E/CN.7/2003/15, para. 51 and table 8). The Committee notes that the outline for the biennium 2004-2005 is based on current best estimates of overall income trends and that the total increase assumed takes into account overall inflation and exchange rate fluctuations (E/CN.7/2003/15, para. 7). The outline would be allocated in accordance with the categories identified in the harmonized budget model, namely programme (\$132.2 million), programme support (\$28.3 million) and management and administration (\$10.4 million). Allocations to programme activities would be in accordance with the operational priorities summarized in paragraph 9 of the report.

6. The Advisory Committee notes that it is stated in paragraphs 18-23 of the report of the Executive Director (E/CN.7/2003/15), on the financial situation of UNDCP, that the Programme faces both a cash-flow and a structural problem in the financing of activities. Options for securing assured and predictable funding are discussed in paragraphs 26 and 27 of the report. The Committee notes the involvement of the private sector under options for alternative financing (E/CN.7/2003/15, para. 26 (b) (vi)) and under other options proposed by UNDCP or by Member States, as shown in the summary of the comments from the open-ended working group on predictable financing (E/CN.7/2003/15, para. 27, sect. C, option 1). In this connection, the Committee trusts that every effort would be made to ensure that any income from the private sector would be used in a manner that

does not in any way compromise the international character and integrity of the Programme. To that end, the Committee recommends close coordination with the World Health Organization, with a view to profiting from its experiences and lessons learned in this regard.

7. The Advisory Committee was briefed by the Executive Director on his plans to reform and reorganize the Programme, including by making it more field-oriented while improving the geographical distribution and gender balance and reducing the age profile. The Executive Director informed the Committee of steps taken to reduce the top-heaviness of the secretariat and streamline operations with a view to increasing efficiency and productivity. The Committee was provided with a document containing the results of an assessment of the strength and shortcomings of the operation of the Programme.

8. The Advisory Committee commends the Executive Director for the initiatives he has taken. It notes in particular the importance he attaches to the implementation of six new operational priorities¹ and guidelines for the medium term with a view to improving governance, funding, operational management, communications and staff management relations. The Committee requests that, in his next budget submission, the Executive Director provide information on how the implementation of the operational priorities have affected the organization and programme structure of UNDCP. The Committee also requests that the Executive Director indicate in his next budget submission the policy areas, particularly on the subject of governance, where further guidance is needed.

9. Furthermore, the Advisory Committee requests that the Executive Director include in his next budget presentation a clear statement of the deployment and use of all resources for staffing and programmes, both approved and proposed, for counter-terrorism activities under the aegis of the United Nations Office on Drugs and Crime.²

10. Subject to the above observations, the Committee recommends approval of the revised budget estimates for the biennium 2002-2003 and the proposed outline for the biennium 2004-2005.

Notes

¹ To pursue an integrated approach to drug and crime issues; to place drug and crime issues in the context of sustainable development; to balance prevention and enforcement activities; to select operations on the basis of knowledge and strategic vision; to help establish institutions that promote international best practices; and to leverage resources to exploit the power of partnership.

² The Office for Drug Control and Crime Prevention became the United Nations Office on Drugs and Crime on 1 October 2002.