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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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I. Introduction

1. In its resolution 46/8, 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 report to it at its forty-seventh session on progress made in the implementation of the resolution. In its resolution 46/9, entitled “Securing assured and predictable funding for the United Nations International Drug Control Programme”, the Commission also requested the Executive Director to report to it at its forty-seventh session on progress made in the implementation of the resolution.

II. Facilitating dialogue between Member States and the United Nations International Drug Control Programme

2. In its resolution 46/8, the Commission, reaffirming its resolutions 44/16 and 45/17, in which it had called for continued improvement in management and a strengthened dialogue with Member States so as to contribute to enhanced and sustainable programme delivery, reaffirmed its governing role in the United Nations International Drug Control Programme 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; requested the United Nations International Drug Control Programme to facilitate that by continuing to present substantive, concise and timely briefings and, when appropriate, reports to all Member States, such as the progress report on management reform entitled “Commitment to good governance”; and also encouraged the Executive Director to facilitate dialogue with and among Member States.

Action taken

3. Several initiatives have been taken to strengthen dialogue with Member States, as well as between Member States, concerning the priorities and management of the United Nations International Drug Control Programme. Six intersessional meetings and several sessions of open-ended working groups on alternative development, budgetary issues and preparations for the ministerial segment of the forty-sixth session were held early in 2003. Those meetings were often preceded by meetings of the extended bureau of the Commission, eight of them in 2003, which provided an opportunity for Member States to review the programme of work of the normative and operational segments 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 continuing basis. Similar meetings are to be held prior to the forty-seventh session of the Commission.

4. Pursuant to Commission resolution 46/8, prior to the reconvened forty-sixth session, held on 26 and 27 November 2003, the Secretariat provided several specialized briefings and additional information to Member States on the consolidated biennial budget of the United Nations Office on Drugs and Crime, which included information on the preparation of the consolidated budget, the

funding situation of the Programme and its impact on planning and activities. Furthermore, the Executive Director and senior staff met frequently with representatives of Member States and with staff to keep them abreast of developments. Information on the work and decisions of the Office was routinely made available online.

5. In compliance with the United Nations rules governing the issuance of documents for intergovernmental meetings, the documents for the forty-sixth session of the Commission were made available to Member States six weeks prior to the meeting, as well as on the Internet at the web site of the United Nations Office on Drugs and Crime. The documents for the forty-seventh session of the Commission will also be made available six weeks prior to the meeting.

III. Operations and management

6. In its resolution 46/8, the Commission urged the United Nations International Drug Control Programme to continue the reform undertaken to date, based on Commission resolutions 44/16 and 45/17 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 called upon the Executive Director to complete the implementation of the recommendations contained in those reports and to develop existing reforms, including the development of synergies between the different elements of the United Nations Office on Drugs and Crime; reaffirmed the role of the Executive Director in coordinating and providing effective leadership for all United Nations drug control activities; welcomed the implementation to date of the planned system of financial management to allow the United Nations International Drug Control Programme and Member States to assess the cost, impact and effectiveness of the operational activities of the Programme in an open manner and to contribute to the implementation of result-based budgeting, and looked forward to continued development of the system; called upon the Executive Director to consider as priorities the development and application of expertise in evaluation and monitoring, in particular through the establishment of an independent evaluation function; and welcomed continued efforts to improve human resource management and recruitment, taking into account the principles of equitable geographical representation and gender balance, so as to further enhance the morale and efficient and effective performance of the staff, and requested the Secretariat to provide information on existing posts in the Programme.

Action taken

7. In January 2003, permanent representatives to the United Nations in Vienna endorsed the paper prepared by the United Nations Office on Drugs and Crime entitled "Operational priorities: guidelines for the medium term", which involved a commitment to the following:

- (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;
- (f) To leverage resources to exploit the power of partnership.

8. Subsequently, management reforms were initiated in the first half of 2003 aimed at laying the groundwork for the implementation of the operational priorities. The focus was on streamlining the functions of the United Nations Office on Drugs and Crime, reprofiling the field office network, securing a stable and predictable income base and strengthening human resource management, financial controls and information technology. Essential planning tools were introduced, such as country profiles and strategic programme frameworks, to support operational activities.

9. The new organizational structure of the United Nations Office on Drugs and Crime was introduced on 1 August 2003, reflecting its mandates and generating synergies by facilitating an integrated approach to the threats of drugs, crime and terrorism. The new structure is composed of four pillars: (a) an operational division to manage capacity-building technical assistance programmes; (b) a division for treaty affairs concerned with servicing the policy-making organs, the stewardship of the existing conventions and the delivery of legal expertise in treaty implementation; (c) a division for policy analysis and public affairs to build up the intellectual leadership of the Office and its cooperation with other partners (international and non-governmental organizations); and (d) a management pillar to provide human resource, information technology and financial management services. The restructuring of headquarters and the reprofiling of the field office network have entailed the redeployment of posts to cover new functions and to strengthen the work units engaged in operational activities. Furthermore, while the integration of activities to combat illicit drugs and crime is being fully implemented at the operational level, the United Nations International Drug Control Programme and the Centre for International Crime Prevention retain their individual identity as regards the management of their respective funds and the provision of support to their separate governing bodies. The Executive Committee functions as a steering body to support the policy-setting and decision-making of the Executive Director. It includes all directors of the United Nations Office on Drugs and Crime and the United Nations Office at Vienna.

10. The new organizational structure includes an independent evaluation function, whose findings are reported to senior management and Member States. The financial information management system (ProFi) of the United Nations Office on Drugs and Crime systematizes substantive monitoring throughout the United Nations International Drug Control Programme and makes information available on project status and monitoring reports to all managers via the Intranet; online access to ProFi is also available to Member States. The system will be expanded in 2004 for real-time access to substantive information on project activities. Options for financing the second phase of ProFi were discussed at the reconvened forty-sixth session of the Commission and will be considered further. In addition, in terms of monitoring and quality control, the terms of reference of the Programme and Project Committee, which is responsible for the approval of all operational activities, are being brought into line with management reforms. The Committee ensures that project proposals meet operational needs, quality and result-based

requirements and comply with cost controls. The Programme and Project Committee has not only reviewed individual projects, but also monitored the quality, responsiveness and efficiency of the entire operational activities portfolio.

11. As mentioned above, the restructuring of headquarters and the reprofiling of the field office network have entailed the redeployment of posts to cover new functions and to strengthen the work units engaged in operational activities. Following consultations between the Office of Human Resources Management at United Nations Headquarters, senior managers in the United Nations Office on Drugs and Crime and the Joint Advisory Committee, composed of staff and management representatives, a policy on staff rotation was adopted. In line with the policy of the Secretary-General on mobility, the policy was designed to meet organizational needs, create multi-skilled and versatile staff and provide career opportunities. The configuration of the field offices has been streamlined and standardized, along with a strengthening presence of the United Nations Office on Drugs and Crime in the field. Other improvements have included a focus on reaching gender equality targets, a new work-life policy offering flexible working arrangements and the establishment of the Vienna Branch of the Ombudsman's Office of the United Nations. Furthermore, improvements in the general-purpose fund balance of the Fund of the United Nations International Drug Control Programme have enabled staff contracts to be extended on a two-year basis.

12. The United Nations Office on Drugs and Crime continued to promote the mainstreaming of drug control matters into the work of United Nations organizations. In January 2004, the Office took over the chair of the Committee of Co-Sponsoring Organizations of the Joint United Nations Programme on HIV/AIDS (UNAIDS). The Office is a member of the Millennium Project Task Force 1 on Poverty and Economic Development, which addresses cross-cutting issues such as human rights, good governance, drugs and crime.

IV. Funding of the drug programme of the United Nations Office on Drugs and Crime

13. In its resolution 46/8, the Commission reaffirmed its governing role in the United Nations International Drug Control Programme budget process, which includes 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. Furthermore, in its resolution 46/9 the Commission suggested a number of options for securing a stable and predictable resource base to support the infrastructure and activities funded through voluntary contributions; and encouraged the Executive Director to continue to pursue his efforts aimed at ensuring cost savings and/or reducing the burden on the support budget and to inform the Commission regularly of those efforts at its intersessional meetings.

14. At its reconvened forty-sixth session, on 26 and 27 November 2003, the Commission approved the final support budget for the biennium 2002-2003 of the Fund of the United Nations International Drug Control Programme and appropriations for the initial support budget, the initial core programme budget and for technical cooperation activities for the biennium 2004-2005, following the

result-based approach to budgeting. The Commission welcomed the introduction of the consolidated budget for the biennium 2004-2005, which integrated, at an operational level, the drug, crime and terrorism programmes while maintaining their identities as regards the management of their respective funds. At the same time, the proposed budget was designed to enable stakeholders to review the separate budgets for the different programmes and approve the budget of the Fund of the United Nations International Drug Control Programme. This was a further step in the process of reform of the United Nations Office on Drugs and Crime, reflecting, from a financial perspective, the new organizational structure and operational priorities of the Office. In line with the recommendations of the Advisory Committee on Administrative and Budgetary Questions, the programme budget was divided into a core programme, reflecting activities mandated by legislative bodies, and a technical cooperation programme.

15. Following the management reforms, the general-purpose income from donors increased from \$15 million in 2002 to \$18.5 million in 2003, an improvement of 23 per cent. However, traditional donors of the United Nations Office on Drugs and Crime still accounted for 74 per cent of project funding in the biennium 2002-2003. Assisted countries accounted for 26 per cent of total estimated expenditure through project cost-sharing. Regular budget resources remained insufficient for the mandates of the Office and the Executive Director continued his efforts to increase those resources to a more appropriate level.

16. Considerable efforts were made in 2003 to ensure a stable and predictable resource base to support the infrastructure of the United Nations Office on Drugs and Crime and activities funded through voluntary contributions. In addition to initiatives to maximize the income from its traditional donors, the Office has sought to expand co-financing through cost-sharing and government cash counterpart contributions from assisted countries. Great importance was attached also to mobilizing additional resources from foundations and the corporate sector and to forging innovative partnerships with non-governmental organizations, volunteers and mentors. The Office continued to reach out to international financial institutions, specialized agencies of the United Nations system and bilateral development organizations to build strategic alliances at the planning and operational levels.