

**Economic and Social Council**Distr.: General
22 December 2004

Original: English

Commission on Narcotic Drugs

Forty-eighth session

Vienna, 7-14 March 2005

Item 9 of the provisional agenda*

Strengthening the drug programme of the United Nations**Office on Drugs and Crime and the role of the****Commission as its governing body****Strengthening the United Nations Office on Drugs and
Crime and the role of the Commission on Narcotic Drugs as
one of its governing bodies****Report of the Executive Director***Summary*

The present report has been prepared pursuant to Commission on Narcotic Drugs resolution 47/3. It presents an overview of activities undertaken to facilitate the work of the Commission in the exercise of its role as the governing body of the drug programme of the United Nations Office on Drugs and Crime and the continued process of reform of the Office.

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* E/CN.7/2005/1.



I. Introduction

1. In its resolution 47/3, entitled “Strengthening the United Nations Office on Drugs and Crime and the role of the Commission on Narcotic Drugs as one of its governing bodies”, the Commission on Narcotic Drugs requested the Executive Director to report to it, at its forty-eighth session, on progress made, inter alia, in implementing management changes.

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

2. In its resolution 47/3, the Commission, reaffirming its resolutions 44/16, 45/17 and 46/8, in which it had called for continued improvement in management and a strengthened dialogue with Member States in order to contribute to enhanced and sustainable programme delivery, reaffirmed its governing role in the budget process of the United Nations Office on Drugs and Crime, concerning international drug control, which included, inter alia, advising the Office 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 Office to facilitate the role of the Commission by continuing to present substantive, concise and timely briefings and, when appropriate, reports to all Member States; and encouraged the Executive Director of the Office to continue facilitating dialogue with Member States on programmatic and management issues and on the ongoing reform process.

Action taken

3. Initiatives to maintain and strengthen dialogue with Member States continued, aimed at facilitating provision by the Commission of guidance concerning priorities and management to the Office on its drug programme. Pursuant to Economic and Social Council decision 2004/244 of 21 July 2004, three intersessional meetings of the Commission, four meetings of its extended bureau and three meetings of an intersessional working group of the Commission on the thematic debate were held between the conclusion of the forty-seventh session of the Commission and December 2004. At the intersessional meetings, the Commission provided follow-up to the forty-seventh session, in particular in relation to the resolutions it had adopted, the consideration of its report by the Council and the finalization of the provisional agenda, documentation and arrangements for the forty-eighth session.

4. In preparation for its forty-eighth session, at the intersessional meetings the Commission reviewed the operational and normative segments of the provisional agenda, its draft programme of work, other organizational arrangements, including the formulation of substantive and organizational guidelines for the thematic debate, and the provision of policy guidance to the drug programme of the Office. Information on the status of the Fund of the United Nations International Drug Control Programme was also provided to Member States. Further intersessional and extended bureau meetings of the Commission are planned for January and February 2005 to continue the process of consultation among Member States, the provision of

guidance to the Office and information to Member States on, inter alia, the process of preparation of the consolidated budget of the Office for the biennium 2006-2007, which will be submitted to the Commission for consideration and approval at its reconvened forty-eighth session. Information on programme, financial and management matters continued to be made available to Member States on a regular basis, including online through the special web page of the Office for Member States.

5. In compliance with the United Nations rules governing the issuance of documents for intergovernmental meetings, the documents for the forty-seventh session of the Commission were made available to Member States six weeks prior to the meeting, as well as on the Internet at the website of the Office.

III. Operations and management

6. In its resolution 47/3, the Commission, reaffirming its resolution 46/9, and noting that good management contributed to strong and predictable funding, welcomed the establishment of an independent evaluation unit, and looked forward to a greater emphasis on impact in the evaluation work of the Office and the introduction of evaluation as an integral part of project design, monitoring and implementation.

7. Also in resolution 47/3, the Commission welcomed the restructuring and ongoing process of reform, designed to create greater synergy between the drug programme and the crime programme; welcomed the measures taken to ensure good governance within the Office and encouraged continued transparency in the management of human resources; welcomed the development of a transparent financial system and looked forward to its completion, when it would allow the Office and Member States to assess the cost, impact and effectiveness of operational activities of the Office in an open manner.

8. In the same resolution, the Commission requested the Office to continue the reform undertaken to date and to maintain a culture of continuous improvement; encouraged the Executive Director to expand on the strategic framework called for in General Assembly resolution 58/269 of 23 December 2003 and to develop a plan for the Office that would provide medium- and long-term strategic direction; and requested him to report to it, at its forty-eighth session, on further progress made in implementing management changes.

Action taken

A. Reform process of the United Nations Office on Drugs and Crime

9. At the heart of the reforms of the Office during the period 2002-2003 was an action plan to improve: (a) governance; (b) funding; (c) operations; (d) staff-management relations; and (e) communication. As part of that plan, initiatives were launched to implement measures addressing the five elements.

10. The reform process was triggered by worldwide changes providing a new momentum for recasting the work of the Office, including:

(a) The United Nations Millennium Declaration (General Assembly resolution 55/2), in which the General Assembly established achieving sustainable development as an aim of the Organization, entailing, inter alia, the improvement of conditions for freeing individuals from the burden of “uncivil” behaviour;

(b) The international dimension of “uncivil” behaviour;

(c) The adoption of new norms and international instruments in the fields of drugs and crime (resolutions of the General Assembly at its twentieth special session; the United Nations Convention against Transnational Organized Crime (Assembly resolution 55/25, annex I) and the Protocols thereto;¹ and the United Nations Convention against Corruption (resolution 58/4, annex);

(d) The mandates entrusted to the Office in preventing and countering terrorism.

1. Operational priorities

11. In 2003, following consultations with staff and Member States, the Office launched new operational priorities as guidelines for the medium term. Six key themes were identified—either as operational priority or programme/operational instruments—with drugs, crime and terrorism forming part of an integrated approach to overcoming the forces of “uncivil” society.

12. The process of re-engineering the Office in terms of operational directions was accompanied by management reforms to enhance the system of governance, including increased funding for operational activities and human capital of the Office.²

2. Structure of the United Nations Office on Drugs and Crime

13. The next stage of the reform focused on adapting the organizational structure of the Office to mirror operational priorities, a process that began in August 2003 and was formalized through the issuance on 15 March 2004 of two Secretary-General’s bulletins, entitled “Organization of the United Nations Office at Vienna” (ST/SGB/2004/5), and “Organization of the United Nations Office on Drugs and Crime” (ST/SGB/2004/6). The new structure of the Office was grounded on a four-pillar approach:

(a) The Division for Policy Analysis and Public Affairs, whose aim is to increase knowledge and understanding of drug and crime issues and to expand the evidence base for policy-making and operational decisions;

(b) The Division for Treaty Affairs, which provides secretariat and substantive services to the treaty-based and governing bodies and assists States in the ratification and implementation of international legal instruments and the development of domestic legislation on drugs, crime and terrorism;

(c) The Division for Operations, whose field-based technical cooperation programmes and projects aim to enhance the capacity of countries to prevent and counter illicit drugs, crime and terrorism;

(d) The Division for Management, which acts as the guardian of human and financial rules and regulations and provides management support in the areas of

human resources, budgets and accounts, as well as information and communication technology services.

3. Consolidated budget

14. The presentation in November 2003 and the subsequent endorsement by Member States of the consolidated budget for the biennium 2004-2005 for the Office (E/CN.7/2003/20) was the third and final step in the overall reform process. The consolidated budget incorporated the drug, crime and terrorism programmes of the Office into a single operational framework and also reflected the restoration of a positive trend in the balance of general-purpose funds. That process will be further strengthened with the presentation of a consolidated budget outline for the next biennium to the Commission at its forty-eighth session in preparation for its consideration and approval at its reconvened forty-eighth session.

4. The integrity initiative of the United Nations Office on Drugs and Crime

15. Placing greater emphasis on accountability, both to the Member States as well as internally, in early 2004 the Office launched an integrity initiative, developed in the context of ongoing Secretariat-wide efforts, aimed at: (a) ensuring that practices conformed to stated policies and guidelines on integrity; (b) reinforcing the ability of staff to act in accordance with integrity guidelines; and (c) supporting transparency in the Office. Related measures included establishing an integrity panel; the implementation of compulsory training and interactive learning programmes; the appointment of a compliance officer; and the review of recruitment procedures to include integrity aspects in connection with the hiring of staff.

B. Repositioning the work of the United Nations Office on Drugs and Crime

16. As part of its operational priorities and bearing in mind its small size, both in budgetary and human resource terms, in the course of 2004 the Office launched a number of initiatives in order to leverage resources and to exploit the power of partnership with Governments and institutions. Parallel to those outward-looking efforts, the Office is building on its recent reforms to enhance further the effectiveness and management of its work.

Integrating activities concerning drugs, crime and corruption into the global agenda for peace, security and development

(a) United Nations system-wide response to organized crime and corruption

17. At its meeting held in Vienna in April 2004, the United Nations System Chief Executives Board for Coordination (CEB), which comprises the executive heads of specialized agencies, programmes and funds of the United Nations system and is chaired by the Secretary-General, endorsed a series of measures contained in a paper prepared for the meeting of the Board, entitled "Organized crime and corruption are threats to security and development: the role of the United Nations system", with the aim of forging a strategic system-wide response to transnational crime.

18. That process has raised significantly the profile of the work of the Office and its relevance to development and peacekeeping agencies and has produced some immediate results, such as the inclusion of organized crime in the guidelines for the preparation of common country assessments and the United Nations Development Assistance Framework by United Nations teams at the country level.

19. Working through CEB and its subsidiary bodies, the Office has taken the lead in collecting information on the impact of organized crime on the work of other organizations, including relevant non-United Nations organizations, as well as on activities undertaken by them, in line with their own mandates, to counter organized crime, corruption, money-laundering, financing of terrorism and trafficking in persons and illicit commodities.

20. Based on that information, the formulation of the planned strategic response is currently under way, determining system-wide priorities, building on synergies between organizations and identifying areas for joint activities.

21. Activities implemented according to this strategic approach will be the subject of regular reporting to CEB. Relevant information will also be provided at regular intervals to the Conference of the Parties to the United Nations Convention against Transnational Organized Crime.

(b) Integrating drug and crime concerns into the programmes of other entities

22. Following consultations between the United Nations Office on Drugs and Crime and the World Bank, the two bodies agreed in July 2004 to work together to implement a set of action plans, covering specific geographical regions and countries (Afghanistan, the Lao People's Democratic Republic, the Caribbean and Central Asia) and thematic areas (money-laundering, the financing of terrorism, corruption, drug abuse and HIV/AIDS). The first phase of collaborative arrangements covers a wide range of topics, such as information-sharing; complementarity of work; and joint activities.

23. Since July 2004, the Office has been working with the United Nations Industrial Development Organization to identify common areas of work, for example, alternative livelihood programmes—a review process that should be completed by December 2004 and lead to a cooperation agreement.

24. Similar forms of partnerships will be developed with regional financial institutions, starting with the Inter-American Development Bank, and other organizations such as the United Nations Development Programme (UNDP). The United Nations Office on Drugs and Crime is increasing its cooperation with UNDP to promote the United Nations Convention against Corruption, with UNDP relying increasingly on the Office's expertise and experience in that field.

(c) Working with the private sector

25. At the Global Compact Leaders Summit, held in New York on 24 June 2004, the chief executive officers of corporations participating in the Global Compact Initiative of the Secretary-General adopted work against corruption as a new (tenth) principle in addition to those on human rights, labour and the environment. The United Nations Office on Drugs and Crime was designated the guardian of this principle and is working with the Global Compact Office and the business

community to promote anti-corruption activities. Three broad categories of action are contemplated:

- (a) Engaging the private sector in promoting ratification and implementation of the United Nations Convention against Corruption;
- (b) Engaging and assisting the private sector with the support of the International Chamber of Commerce as well as federations of industry and other collective representation mechanisms in developing appropriate policy guidelines and tools for the implementation of the tenth principle;
- (c) Developing a set of specific actions that the private sector can and should take based on the Convention against corruption that could help operationalize some of its priorities.

C. Continuing the reform process

1. Priorities in human resource management

26. To focus its work in 2005 and 2006, the Human Resources Management Service has devised a priority plan around five pillars of human resource support: talent management; recruitment, selection and deployment; performance management (including performance recognition and reward); learning and knowledge management; and staff services. The aim of the plan is to contribute significantly to the operational performance of the Office by:

- (a) Accelerating staff selection;
- (b) Enhancing staff competence and motivation;
- (c) Reducing the administrative processing workload;
- (d) Reinforcing managers' accountability for their staff.

2. Review of the project cycle

27. As part of the reform process of the Office, the Independent Evaluation Unit was established in August 2003 in the Division for Policy Analysis and Public Affairs. The Unit plans, initiates, directs, supervises and carries out thematic, programme and project evaluations in the Office and guarantees the independence of evaluation activities by separating them from programme and project line management. The Unit measures what has been achieved both positively and negatively and lays emphasis on the assessment of outcomes and impacts rather than on the delivery of outputs. It assesses the entire project cycle, taking stock of delivery mechanisms, constraints and weaknesses and identifies significant lessons from which the Organization can learn.

28. The Unit advocates the incorporation of evaluation and best practices identified therein into current and future programmes, organizational and strategic planning and policy formulation. As part of the reform process and in order to ensure that all the processes governing the entire project cycle are linked to organizational mandates and priorities, the Unit has been mandated to take responsibility for the redefinition and redesign of the new project cycle management of the Office.

29. The current project cycle management review process aims at ensuring a shared understanding of all aspects of the project cycle, as well as creating a link between the organizational mandates, priorities and policies. The review consists of four phases:

(a) A diagnostic phase that determines the project cycle currently being followed and assesses the strengths and weaknesses of existing guidelines on programme/project conceptualization and formulation, financing, implementation modalities and the current monitoring and evaluation systems. The review will include a skills gap analysis that determines existing skills and those needed given the demands of the new project cycle management;

(b) A normative phase that will produce comprehensive guidelines and procedures governing the entire project cycle and its management under the Programme and Financial Information Management System (ProFi);

(c) A training phase that will ensure that all programme, project and field personnel are trained in the entire project cycle (conceptualization, formulation, financing, implementation, monitoring and evaluation). Training will be based on the training needs assessment (skills gap analysis);

(d) A fourth phase will develop a computer-based training module adapted from the training needs developed during the third phase. The training module will be available online and accessible to all.

A key component in the review and development of the project cycle is to ensure the full participation of all stakeholders (partner countries, donors, partner financial institutions and staff of the Office) from the early stages of strategic planning through design, implementation, monitoring and evaluation.

3. Development of a strategy for the United Nations Office on Drugs and Crime

30. With the establishment of the Strategic Planning Unit and pursuant to paragraph 8 of resolution 47/3, work on the introduction of result-based management and the development of a medium- to long-term strategy for the Office will commence in 2005 and continue into 2006. On 17 November 2004, the Executive Committee of the Office adopted a concept paper and a project proposal for the further development and implementation of result-based management and a related strategy for the Office. The strategy will be developed on the basis of the international legal instruments related to drugs and crime (the conventions), the United Nations strategic framework for the period 2006-2007 and the operational priorities of the Office, as well as other pertinent strategic documents (the resolutions of the General Assembly at its twentieth special session, key crime declarations and other relevant resolutions). It was agreed that the process should be carried out in an incremental manner and through a participatory process, involving staff, senior management and Member States.

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

31. In its resolution 47/3, the Commission reaffirmed its governing role in the budget process of the United Nations Office on Drugs and Crime concerning international drug control, which includes advising the Office 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.

32. 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. This was a further step in the process of reform of the Office, 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.

33. 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 Office still accounted for 74 per cent of project funding in the biennium 2002-2003. Assisted countries accounted for 26 per cent of total project funding through 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.

34. Considerable efforts were made in 2003 and 2004 to ensure a stable and predictable resource base to support the infrastructure of the Office 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.

Notes

- ¹ The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (resolution 55/25, annex II); the Protocol against the Smuggling of Migrants by Land, Sea and Air (resolution 55/25, annex III); and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition (resolution 55/255, annex).
- ² See *Commitment to good governance: progress report on management reform (April 2000-April 2003)* (UNODC/ED/1), distributed at the ministerial segment of the forty-sixth session of the Commission on Narcotic Drugs, and subsequent reports to the two governing bodies.
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