



Working in Partnership with UNODC/UNDCP

A Swedish Strategy Framework for 2004–2007

Foreword

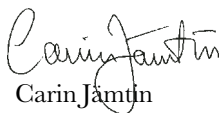
The world has seen unprecedented human and economic development during the last thirty years, but serious problems remain and new challenges have emerged with the evolution of globalisation.

The United Nations, including its various funds, programmes and specialised agencies, plays a crucial role in leading the global community towards the achievement of the Millennium Development Goals. These include halving the proportion of people living in extreme poverty and turning the HIV/Aids epidemic around by 2015. Sweden believes that the United Nations Drug Control Programme (UNDCP) plays an important role in combating illicit drugs – a serious cause of poverty and social misery and an obstacle for economic and social development, good governance and political stability.

Multilateral development co-operation is a vital element of Sweden's official development assistance. We are convinced that the political support that we might be able to lend to the UN development organisations is just as important as our financial contribution. Together with other member states, Sweden is deeply engaged in the reform and the governance of the UN funds and programmes. Sweden intends to give strong support to the reform of UNDCP aimed at making its advocacy and operations worldwide more effective.

This strategy framework intends to translate Sweden's support to UNDCP into policy guidelines for the medium term. Forward-looking, its objective is to reaffirm our commitment to work together with other member states of the United Nations to strengthen the capacity of UNDCP to fulfil its mission.

Stockholm, Sweden, March 2004.



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List of abbreviations

UNDCP	United Nations International Drug Control Programme
Sida	Swedish International Development Cooperation Agency
UNODC	United Nations Office on Drugs and Crime
CICP	Centre for International Crime Prevention
CND	Commission on Narcotic Drugs
INCB	International Narcotics Control Board
ODCCP	Office for Drug Control and Crime Prevention
UNFDAC	United Nations Fund for Drug Abuse Control
GP	General Purpose
SP	Special Purpose
IFI	International Financial Institutions
ODA	Overseas Development Assistance
UNDAF	United Nations Development Assistance Framework
PRSP	Poverty Reduction Strategy Paper
PPC	Project and Programme Committee
UNOV	United Nations Office Vienna
ATS	Amphetamine Type Stimulants

1. Background

1.1 Introduction

Traditionally Sweden has been a strong supporter of the United Nations in general which has been manifested in its support to peacekeeping operations as well as to operational activities of its organisations such as development work and humanitarian assistance. It also includes continuous support to drug control activities within the framework of the United Nations.

The Swedish Government has requested the Swedish International Development Cooperation Agency (Sida) to develop strategy papers on Sweden's relationship and collaboration with major UN organisations including the United Nations International Drug Control Programme (UNDCP). This strategy paper is based on Swedish policies for international development cooperation, an independent background study on the UNDCP commissioned by Sida performed in 2002, as well as Sida's Guidelines for Action regarding Illicit Drugs and Development Cooperation.

It should be clear that this paper focuses on the UNDCP which is the drug control programme within the Office on Drugs and Crime (ODC).

1.2 International drug control and the United Nations

The three UN drug control conventions provide the normative framework within which all UN drug control activities should operate. These include: the 1961 Single Convention on Narcotic Drugs as amended in 1972; the 1971 Convention on Psychotropic Substances; and the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

The Commission on Narcotic Drugs (CND) is the UN's drug policy making body and the governing body of the UNDCP. It was established in 1946 in order to advise the UN's Economic and Social Council (ECOSOC)

on drug issues and was primarily responsible for drawing up the Conventions and subsequent declarations. The following chart shows how the various UN drug organisations fit into the UN system. The CND, being the central policy making body within the UN system dealing with all matters related to drugs, analyses the world drug situation and develops proposals to strengthen international drug control.

The International Narcotics Control Board (INCB) was established by the 1961 Convention and is the independent and quasi-judicial control body for the implementation of the United Nations drug conventions. It is the Board's responsibility to promote Government compliance with the provisions of the international drug control treaties and to assist them in this effort.

In response to the escalating incidence of drug production and abuse throughout the world, the United Nations Fund for Drug Abuse Control Secretariat (UNFDAC) was established in 1971 to develop a plan for concerted action against drug abuse and to mobilise voluntary contributions for financing this plan of action.

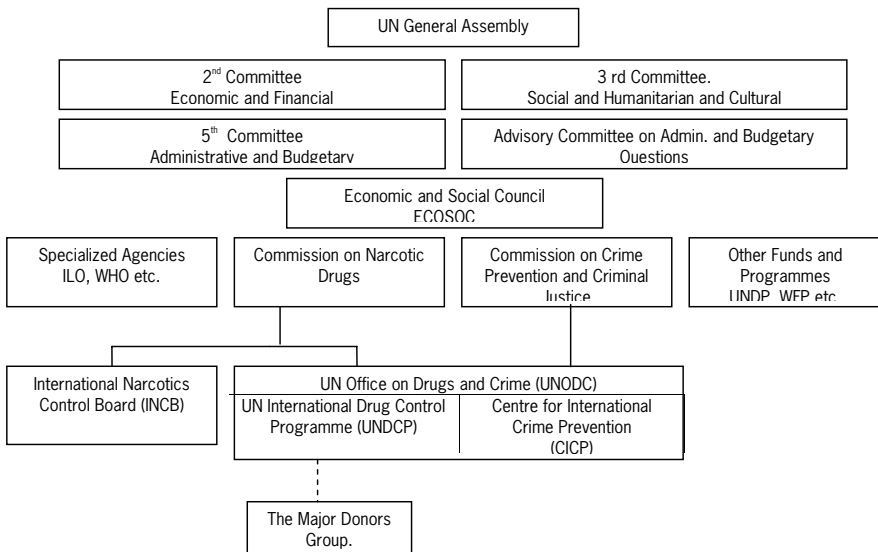
In 1990, the United Nations International Drug Control Programme (UNDCP) was created as a single programme in order to unify the UN structure for drug abuse control and strengthen its role as the main focus for international action for drug control. The programme integrated three previously existing UN units – the Division of Narcotic Drugs, the INCB Secretariat and UNFDAC.

In 1997, the United Nations Office for Drug Control and Crime Prevention (ODCCP) was established as an umbrella entity with headquarters in Vienna, comprising both the United Nations International Drug Control Programme (UNDCP) and the United Nations Centre for International Crime Prevention (CICP). The two programmes received a common managerial structure and synergies between the two areas of drug control and crime prevention were anticipated.

The Centre for International Crime Prevention (CICP) is the UN Office responsible for crime prevention, criminal justice and criminal law reform. It has a separate governing body, the Commission on Crime Prevention and Criminal Justice, and a separate budget.

In September 2002 yet another change came about when the ODCCP was renamed the Office on Drugs and Crime (ODC) again comprising the UNDCP and the CICP. This was basically a consolidation of the process initiated with the establishment of the ODCCP in 1997. It is important to note that the CICP and the UNDCP still maintain separate budgets and governing bodies and that the core of the organisation still is the larger and more dominant UNDCP.

The United Nations and the UNODC/UNDCP



1.3 A global development problem

All countries affected by the illicit drug trade suffer serious negative social, economic and political consequences from it. It has been demonstrated that short term economic gains are always outweighed by long term social and economic problems¹. In the long run the drug trade increases criminality and violence, undermines national institutions, weakens government authorities, encourages corruption, distorts economies and contributes to political instability and human rights violations. It imposes additional strains on the countries' judicial, penal and health budgets by diverting limited resources from more productive investments. In addition, the drug problem tends to complicate international development efforts in most areas of social and economic development.

Poverty and isolation are the main causes of illicit drug production and abuse and therefore development cooperation efforts aimed at alleviating poverty will ultimately affect the scope of drug production and abuse in developing countries. It is generally perceived that efforts to combat the illicit drug trade must be part of a wider set of development cooperation initiatives if we are to generate sustainable solutions.

The drug trade provides alternatives for economic and social survival and is often more prevalent in weak states with insufficient national control mechanisms. In certain regions, drug production and trafficking thrive together with other illegal activities within a broader organised criminal portfolio consisting of illegal arms trade, prostitution, trafficking in human beings, illegal logging and gambling etc. This fact provides much of the conceptual rationale behind the merging of the UNDCP with the CIGP.

Traditionally, a guiding principle for international drug control efforts has been that the production and supply of narcotic drugs originated in developing countries whilst most of the consumption was in Europe and North America. Consequently, this led to an overemphasis on supply reduction methods in order to limit the flow of drugs to Europe and North America. This simplistic distinction does not hold any longer as trafficking routes spread across the globe, new markets and illicit products appear. Today, most illicit drugs are consumed in developing countries. This has

¹ See INCB Report www.incb.org

not however been matched by a corresponding increase in money being spent on drug abuse prevention in the most affected countries.

While it appears that the cultivation and production of plant based drugs such as cannabis, opium and coca has remained somewhat stable during the past decade, the production and trafficking of Amphetamine Type Stimulants (ATS) are increasing considerably. What characterises the last decade however, is the significant increase of the levels of drug abuse and especially of ATS in many developing countries.

The greatest threat over the next few years may not come from cocaine and heroin, but from man-made equivalents. Demand for synthetic ATS, which include methamphetamine and MDMA ("ecstasy"), has increased dramatically in the industrialized nations and in most countries of the developing world. Methamphetamine is rapidly becoming the most widely used stimulant in most parts of the globe. In Southeast Asia, methamphetamine competes with heroin as the main illegal drug for consumption and export. In Myanmar, the heart of heroin production, methamphetamine has become a major source of income for the drug trade. It has many advantages: It is quite easy to obtain ingredients and manufacture synthetics from readily available chemicals, they can practically be manufactured anywhere while they generate large profits and eliminate reliance on vulnerable crops such as coca or the opium poppy. There are centers of methamphetamine production in a wide-range of countries, including Holland, Britain; Spain, Poland, India, Myanmar, Mexico, China and North Korea.

Rapid urbanisation and the increasing availability of illicit drugs has led to a continuous rise in drug abuse in developing countries. Drug abuse is prevalent among all sectors of society but it is often the vulnerable and poor sectors of the community that live in the most deprived areas of large urban centres as well as regions close to production and trafficking routes that are most seriously affected. Abuse is associated with poverty and the lack of social and economic opportunities as well as drawn out armed conflicts. It is the young people who are most susceptible to drug abuse. Not only is the sheer number of youth in developing countries increasing but also the fact that traditional cultural values are being replaced as globalisation spreads. The most vulnerable youth such as street

children, young prostitutes and child soldiers are probably the most prone to drug abuse and escape. Unfortunately, their numbers are steadily increasing in most developing countries.

One of the most devastating problems associated with global drug abuse is the continued increase in the intravenous and sexual transmission of HIV/AIDS. The increase in the injection of drugs and sharing of injecting equipment in combination with few prevention and treatment activities is resulting in rapidly escalating numbers of HIV/AIDS infection among intravenous drug injection populations. This is especially apparent in some of the former Soviet states, Eastern Europe and in South East Asia.

1.4 Mandate and Focus of the UNDCP

1.4.1 The mandate of the UNDCP

UNDCP aims to strengthen international action against drug production, drug trafficking, drug abuse and drug-related crime. The UNDCP is mandated to carry out both regulatory and operative technical assistance functions. The regulatory/normative functions include promoting adherence to the three international drug control conventions and the inclusion of the conventions and relevant provisions in national legislation. Furthermore, they include following up on the mandates emanating from the 1998 20th Special Session on Drugs of the General Assembly of the United Nations and providing secretariat and substantive services to the Commission of Narcotic Drugs (CND) and INCB. Within the larger framework of ODC, the CICP also plays an important role in the normative/regulatory work of the organization relating to crime prevention.

The normative/regulatory functions should, in principle, be funded by regular budget resources and the technical assistance programmes by voluntary contributions. The distinction between the two sources of funds was initially made to guarantee the independence of the normative functions and of the work of the INCB.

1.4.2 The focus of the UNDCP

The operative functions of the UNDCP aim at providing technical assistance to member states so as to implement the drug control conventions as well as the responsibilities stemming from the 20th special session. This includes coordinating national efforts to control the production, sale and abuse of narcotic drugs.

The geographic and thematic priorities are in theory defined by the operational divisions in the programme and portrayed in the biennial programme budgets. While they generally portray a balance with regard to the sectors in which the organisation operates, they show a certain imbalance in terms of geographical regions. The following tables show percentages of UNDCP expenditures during the period 2000–2003 in the different thematic areas and regions.

UNDCP Expenditures 2000–2003

Region	Expenditure MUSD	Percentage
Latin America and the Caribbean	74.26	38.41
Inter-Country	40.58	20.99
West and Central Asia	29.82	15.42
East Asia and the Pacific	25.93	13.41
Central and Eastern Europe	10.09	5.22
Sub Saharan Africa	8.54	4.42
South Asia	2.39	1.24
North Africa and the Middle East	1.68	0.87
Total:	193.3	100%

Thematic Area	Expenditure MUSD	Percentage
Suppression of Illicit Drug Trafficking	66.85	34.58
Prevention and Reduction of Drug Abuse	58.28	30.15
Elimination of Illicit Crops	48.51	25.09
Policy Support, Legislation and Advocacy	19.68	10.18
Total:	193.3	100%

1.5 Resources

1.5.1 Financial resources

UNDCP depends on voluntary contributions for over 90% of its budget. The remaining 10% of its budget comes from the regular budget of the United Nations. Funding comes to the UNDCP in two forms; either as General Purpose funds (GP) or as Special Purpose funds (SP). GP funds are pledged to the UNDCP without any earmarking while SP funds are pledged for special activities and programmes. GP funds represent between 20 and 25% of the donor pledges.

The UNDCP adheres to a biennial budget system. This means that a budget is prepared and eventually approved by the CND every two years. However, since most of the pledges by major donors are made on an annual basis and vary from year to year, the budget should be seen as a planning tool rather than a precise representation of available funds and expenditures. The budget is constantly being revised in accordance with pledges, available funding and commitments.

As can be seen from the following table the voluntary contributions to the UNDCP have remained rather stable during the last 10 years. There was however, an increase in funding during the period 1998–2000 with the advent of the Executive Director Pino Arlachi. However, there was also a decline in funding after severe criticism on his management style led to his resignation in 2001.

UNDCP General and Special Purpose income and expenditure for the period 1992–2002

MUSD		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Income:	GP	20,2	34,3	19,0	18,3	19,7	17,2	17,1	16,5	18,1	13,2	15,0
	SP	52,3	35,8	44,1	49,1	31,3	34,8	53,2	55,1	49,2	52,2	59,1
	Total	72,5	70,1	63,1	67,4	51,0	52,0	70,3	71,6	67,3	65,4	74,1
Expenditure:	GP	18,4	18,7	22,2	22,2	20,0	8,5	20,3	24,1	22,0	20,4	16,3
	SP	48,5	51,7	1,0	41,9	33,2	32,6	34,8	55,9	57,8	46,4	50,6
	Total	66,9	70,4	73,2	64,1	53,2	51,1	55,1	80,0	9,8	66,8	66,9

There are currently 19 major donors of which seven provide approximately 75% of the total contributions. The most important donors over the years are Italy, the United States, Sweden, Japan, Germany, the United Kingdom and the European Commission. Over the last years, Italy, Japan and Sweden have provided between 55 and 70% of the total General Purpose funds contributed by the donors. The level of influence on programmes exerted by the individual donor countries is directly related to how strongly they earmark their funds.

The 6 largest donors to the UNDCP and their contributions 1998–2002 in MUS\$

Year	1998	1999	2000	2001	2002	Total
US	4.0	25.3	9.3	20.3	13.2	72.1
Italy	8.5	9.2	12.0	11.0	11.6	52.3
UK	11.8	4.2	4.7	2.6	6.4	29.7
Sweden	5.2	4.3	4.5	4.1	4.1	22.2
Japan	3.8	3.8	3.4	3.4	5.0	19.4
EC	4.5	3.1	0.3	2.8	2.7	13.3
Total	37.8	49.9	34.1	44.2	43.0	209

In the organisational chart of the UNDCP (Annex 1) there is an External Relations and Fund Raising Unit below the Division of External Relations. This Unit is responsible for mobilising resources through the continuous contact with donors and other organisations. The Unit has direct bilateral contacts with individual donors and organisations where donor priorities define which initiatives will be financed. Fund raising is done on a case-by-case basis where the Unit will present a list of projects (ongoing and pipeline) for the donor to choose from. Sometimes donors will even approach the Unit encouraging them to develop specific projects that they guarantee to support. Most of the time however, the Unit will approach donors in order to get the go ahead to use their funds in a specific programme. The Unit has a well-developed sense of what each donor prioritises and therefore is often able to match donor interests with specific programmes.

1.5.2 Human resources

The Executive Director, who is also the Director-General of United Nations Office in Vienna (UNOV), heads the ODC. In addition to the Office of the Director/Executive Director, there are four main divisions: Division for Operations and Analysis, Division for Treaty Affairs, Division for External Relations and the Centre for International Crime Prevention (CICP) (Annex 1). However, during the 46th session of the CND in 2003 a new functional organisational structure was presented in the Progress Report on Management Reform (Annex 2). This structure has not yet been formally approved.

According to the revised budget for the biennial 2002–2003 for the fund of the UNDCP, the total number of staff world-wide is approximately 350 people, of whom 200 are at the Vienna Headquarters and 150 in the field offices. The UNDCP has 22 Field Offices as well as a Liaison Office in New York.

Of the total UNDCP staff, 183 are professional staff, 146 general service staff and 25 consist of national professional officers. All the professional staff is recruited internationally except of course the national professional officers while all the general service staff are recruited locally.

Swedish nationals are underrepresented at the UNODC. There are currently six Swedish nationals working for the UNODC of which four are professional staff, one general services and one Junior Professional Officer.

1.6 Swedish support to the UNDCP

Ever since the early 1970's Sweden has actively supported international drug control efforts primarily through the UN system. Sweden has been one of the largest donors to the UNDCP since its establishment in the 1990's. The Swedish financial support to the UNDCP has ranged from SEK 40–60 million per year including numerous Junior Professional Officers. Furthermore, Sweden has been one of the three largest providers of General Purpose Funds.

**Swedish General and Special Purpose
contributions to the Fund of UNDCP 1990–2002 MUS\$**

YEAR	90	91	92	93	94	95	96	97	98	99	00	01	02	TOTAL
GP	5.4	6.6	6.8	6.6	1.6	1.2	1.3	1.1	1.1	1.1	1.1	0.8	1.0	35.7
SP	1.2	2.7	0	0.7	3.8	3.1	2.9	3.6	4.1	3.2	3.4	3.3	3.1	35.1
TOTAL	6.6	9.3	6.8	7.3	5.4	4.3	4.2	4.7	5.2	4.3	4.5	4.1	4.1	70.8

The bulk of the funds from Sweden has been channelled via the Ministry for Foreign Affairs and were until 1993 mainly General Purpose funds. Sida has also funded specific programmes, projects and JPO's. Since 1997, approximately 30% of the total Swedish contribution to the UNDCP are General Purpose funds. This represents 8% of the total annual General Purpose contribution. The rest is softly earmarked for project/programmes in sub-Saharan Africa (40%), Asia and Latin America (35%) and for advocacy (global) programmes (25%). Africa was prioritised since at the time few UNDCP resources were being allocated there and since Sweden placed emphasis on the poverty perspective in drug control activities. Soft earmarking implies that the UNDCP should follow very general parameters when using Swedish funds as opposed to using the funds for specific projects identified by Sweden. Under special circumstances, Sweden has strongly earmarked additional funds for specific projects.

The table below shows the amounts and percentages of the Swedish contribution to UNDCP that are being used for projects in the following regions and thematic areas.

Current use of the Swedish Contribution to the UNDCP

Region	Percentage
Sub Saharan Africa	39.3
Inter-Country	21.9
Latin America and the Caribbean	21.1
East Asia and the Pacific	12.7
South Asia	2.3
West and Central Asia	1.8
North Africa and the Middle East	0.8
Total:	100%

Thematic Area	Percentage
Prevention and Reduction of Drug Abuse	41.2
Policy Support, Legislation and Advocacy	35.1
Suppression of Illicit Drug Trafficking	13.8
Elimination of Illicit Crops	9.7
Total:	100%

As can be seen from the above chart more than three quarters of the Swedish contribution to the UNDCP today is allocated to the prevention and reduction of drug abuse and Policy Support, Legislation and Advocacy. This is in line with the current Swedish policy.

2. Assessment

This section presents Sweden's assessment as it stands today. It is important to note that UNDCP is still struggling with a credibility crisis and recovering from several years of mismanagement and centralised decision making. This assessment must be viewed in light of the current situation since several changes are taking place and will take place within the organisation in the near future. Although management reforms have taken place, it is still too early to assess the outcome. There is also a general sentiment among donors and the organisation that the current financial and governance situation is not sustainable.

2.1 Current situation

2.1.1 The management crisis

The former Executive Director's contract was not extended and he resigned in early 2002 after much criticism from members of his own staff, major donors and the UN Office of Internal Oversight Services. The criticism revolved around inability to maintain programme quality, lack of credibility in the project selection process, a very centralised decision making process, an arbitrary management style and a lack of transparency in the human resource management.

The response of the former Executive Director was immediate and basically focused on re-establishing some of the central coordination mechanisms previously abolished by him, such as the Project and Programme Committee. Furthermore, he introduced mechanisms in order to delegate authority, re-organise the Office of the Executive Director, as well as to guarantee a more transparent and fair human resource management.

This was too little and too late. The UNDCP had suffered a serious setback in terms of its credibility and effective programme delivery. The major donors started to reduce their portion of GP funds and some even

froze them all together. It was understood that before donors were to return with confidence the Executive Director would have to resign. He did and was replaced by Mr. Antonio Maria Costa in mid 2002.

The assessment is that the current Executive Director is making good progress but it still is too early to tell what the result will be. The former Executive Director had set in motion a series of management reforms. He had started to re-institute mechanisms for quality control and human resource management. The process was slow but it paved the way for the incoming Executive Director to continue with the reforms and define a new set of operational priorities (See section 2.3.3). Unfortunately, very few of the donors seemed to understand that one of the main causes of the crisis, is the strict earmarking of the resources they contribute voluntarily.

2.1.2 The financial situation

The proposed revised budget for 2002–2003 and the proposed outline for the biennium 2004–2005 was presented and approved by the CND in April 2003. Resource requirements for the period 2002–2003 and 2004–2005 are USD166 and 170 million respectively. This must be seen as a planning figure rather than an actual representation of available funding since donor contribution vary from year to year in size and allocation.

Generally speaking it appears that the Executive Director has managed to reverse the trend and increase donor confidence in the organisation since funds are forthcoming for UNDCP's activities. However, there still remains the problem of a diminishing GP fund balance and the unpredictability of funding in general.

As a consequence of the management crisis, General Purpose contributions have decreased during the last two years. The level of GP contributions is very important since they can be used at the discretion of the UNDCP. As they are unearmarked funds they may be used to fill funding gaps in on going programmes and activities that donors are reluctant to support. In practice though, they are used to finance the support and administrative budgets. Insufficient GP funds are a threat to the universality and the mandate of the organisation.

The fund balance of the General Purpose funds has declined rather dramatically over the last couple of years as can be seen from the tables below. Funds from the General Purpose Fund Balance are continuously being used without being replenished. The general purpose fund balance will have declined from USD 9.8 million at the start of 2002 to 5.3 million by the end of 2003, which is below the minimum fund balance of 8 million required to maintain adequate cash flow per year. According to the projection for the period 2004–2005, the balance will have declined to USD 1.3 million by the end of 2005.

The general and special purpose fund balance 1992–2002

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Fund balance:	GP	24,8	40,4	37,2	33,3	33,0	31,7	28,5	20,9	17,0	9,8	8,5
	SP	44,1	28,2	21,3	28,5	26,6	28,8	47,2	46,4	37,8	43,6	52,1
	Total	68,9	68,6	58,5	61,8	59,6	60,5	75,7	67,3	54,8	53,4	60,6

The financial situation has serious consequences for programming and staff at the UNDCP. This is a crucial issue from the Swedish perspective since it undermines the organisation's ability to fulfil its mandate. It aggravates the organisation's ability to independently define policy and priorities as well as implement programmes while it increases the risk of losing valuable staff, since contract can only be extended for short periods of time. The job insecurity combined with a tradition of lack of transparency in human resource management eventually undermines staff motivation and successful programme delivery.

The Swedish assessment is that the UNDCP requires secure and stable funding if it is to be able to continue with the management reform process, provide expertise and backstop projects as well as fulfill its operational priorities for the coming years. UNDCP needs to rebuild its General Purpose fund balance to approximately USD 15 million. Whether this can be done ultimately depends on the donors' willingness to change their funding practices.

2.2 Comparative advantages

The UNDCP derives much of its comparative advantage from its strong and focused mandate that does not overlap with that of other UN organisations. The UNDCP plays an important normative role. It follows up on international trends and developments in terms of illicit drug cultivation, production and abuse as well as international treaty adherence and compliance with the three UN Conventions on drugs. Sweden believes that this functions relatively well and gives the organisation the authority and leverage to respond to the globalisation and increased complexity of the drug problem.

UNDCP also plays an operative role. Operative activities increased substantially during the early 1990's when the organisation developed into a large funding agency for international drug control projects and increasingly performed traditional development cooperation functions. The UNDCP was never intended to have a large operative portfolio. Instead, the intention was to be a "Centre of Excellence" with relatively small but important operative activities. The operative activity was to have a catalytic impact on national, bilateral and multilateral actors in order to inspire and lead the way for international drug control. Sweden believes that projects should be small and focus on developing methodology and identifying best practices in order to provide member states with solutions to their drug problems.

The UNDCP has a strong knowledge base and expertise when dealing with international drug control efforts. During its almost 15 years of operative and normative activities, the organisation has managed to accumulate a series of accepted best practices and lessons learnt that today allow it to play an important advocacy role. The accumulated knowledge is increasingly being used by national governments in defining their drug control policies and strategies and is being transferred and replicated in many countries around the world. UNDCP's strength lies in their ability to provide advocacy and advice and act as a facilitator of knowledge and experiences. The challenge today is to maintain the knowledge base despite the managerial and financial problems.

The UNDCP is a strong broker for negotiations and cross border cooperation in international drug control. Its network base and field offices are capable of providing relevant and effective technical assistance in drug control issues. A challenge however, lies in its ability to evolve into a centre of expertise with limited but focused operational activities rather than continue as a funding agency for drug control projects. This would require a focus on core and catalytic projects. UNDCP should maintain a certain operative presence but select activities that more closely reflect the organisation's mandate.

Finally, a major strength is the UNDCP's ability to maintain neutrality and impartiality in drug control activities in very difficult areas of operations. This is especially relevant in areas and countries of conflict where drug control initiatives are pursued in remote and isolated areas often under the influence of conflicting armed groups. In these areas, the organisation by definition represents a neutral actor and also has the expertise and mandate to work with the very complex issues related to illicit drug control.

The assessment is that the comparative advantage of the UNDCP lies in its specialised technical knowledge in the area of drug control rather than in executing operational activities. This specific knowledge is fundamental for carrying out its normative and operational functions and must be maintained and continuously developed in order to justify its existence. The funding situation has created structural imbalances in the organisation that have weakened its role as centre of excellence in the area of drug control and over-emphasised operational activities. The operational focus has resulted in proportionally smaller amounts of resources for building capacity within core areas such as research, monitoring and advocacy, both at headquarters and in the field offices. Ideally, the regular budget should cover both core and normative functions of the organisation. However, these functions are also dependent on voluntary funds.

2.3 Organisational Capacity

2.3.1 Steering and governing procedures of the UNDCP

A major organisational weakness is the current steering and governing procedures of the UNDCP. When the CND was established it was not intended to have an operative role. However, in 1991, when the General Assembly established the UNDCP, it also expanded the mandate of the CND to function as the governing body of the UNDCP. Being the global forum for international co-operation in combating the world drug problem, the CND thus received both an operative and a normative role. Unfortunately, the CND is not a flexible body. It convenes several hundreds of delegates on an annual basis. It is not an appropriate forum for discussing strategic operational issues or monitoring ongoing programmes, and it is not capable of responding rapidly to changing needs and priorities. Furthermore, the CND has little knowledge regarding programme implementation, planning and development issues. The above features are essential in order to develop appropriate and timely policies.

Nevertheless, the CND has made attempts during the last years to become more involved with the programme. A chairman and a bureau are presently elected for one year at the end of the annual session to ensure the continuity of the work of the Secretariat of the CND. More preparations can thus take place between the regular sessions and the bureau can take the lead in implementing actions to be taken by the CND. In addition, intra-sessional meetings are being summoned more frequently. As an example, the CND called for an intra-sessional meeting after the events of 11 September. Moreover, the dialogue between donors and member states is being strengthened through the introduction of meetings between donor and recipient countries.

In practice, most of the actual operational decision-making lies with the major donor countries in their bilateral dialogues with the UNDCP. The Major Donors meet semi-annually in the setting of an informal group, which in principle consists of member states that have during a given year contributed with more than USD 500 000 to the fund of the UNDCP. As a result, all assisted countries are excluded from this group. Within the

framework of the Major Donors Group, there is very limited dialogue between donors and assisted countries on operational and strategic issues. Assisted countries are normally not able to directly influence decisions regarding priorities and needs for the organisation in this forum. The meetings of the Major Donors Group focus on the fundraising of the UNDCP and the promotion of certain activities. It is a donor driven process and discussions are often “project-centered” rather than strategic and policy oriented. In actual facts, it is a means for matching donor interest with the project and pipeline portfolios.

The assessment is that the UNDCP should continue to explore the possibilities of increasing the dialogue between the organization, donors and assisted countries in order to give the organisation a stronger role. The steering and governance system inhibits realistic and independent policy planning. Unstable and unpredictable funding from few donors with strong earmarking further undermines policy planning and priority setting within the organisation.

2.3.2 Programme development and delivery

In January 2003, the current Executive Director presented a document concerning “Operational Priorities: Guidelines for the medium term”². These guidelines indicated that the organisation shall pursue operational activities within the framework of six operational priorities:

- a) To pursue an integrated approach to drugs 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

A follow up paper operationalising these priorities will be presented by the Executive Director in the near future. The key to successful programming

² See www.unodc.org

and delivery is good governance where all stakeholders have a say in decision making. To this end the operational priorities for the organisation emphasise transparency and dialogue with member states, donors and assisted countries. The UNDCP has since the advent of the new Executive Director made certain progress in terms of re-establishing and strengthening key operational procedures.

The organisation has now set up an independent evaluation function that follows up on project design and management as well as ensures transparent implementation. This should be an essential component of all operational activities leading to the identification of best practices and lessons learnt and playing an important role in the organisation's advocacy role.

Today, the organisation again produces up to date country profiles and strategic frameworks for assisted countries and regions. These identify priorities and map technical cooperation activities. This is intended to contribute to less ad-hoc project selection and involve donors at an early stage of programming.

Furthermore, the Project and Programme Committee (PPC) is functioning again in order to improve and streamline project with priorities. This should increase the quality of project design in line with best and modern practices as well as ensure that funding is available before projects are approved. The PPC in other words sets the standards for project approval.

In regard to human resource development, the UNDCP has set in practice a staff rotation plan that enables staff to rotate between field offices and head-quarters. Steps have been taken to decentralise decision making by delegating substantial authority to heads of divisions.

However, the assessment is that there is still much work to be done in terms of improving the quality of monitoring and evaluation. Realistic indicators must be developed and best practices and lessons learned must be identified and disseminated. The UNDCP's communication strategy must be improved in order to increase its visibility and ultimately credibility. Finally, the fact that many donors use the UNDCP as a multilateral implementor for their bilateral priorities undermines programme development and delivery.

2.3.3 Management reform process

At the 45th CND in April 2002 a resolution was adopted that focused on examining factors hindering UNDCP's performance. Five areas of management were identified for improvement. These were: Governance, Funding, Operations, Human resources and Communications.

The Progress Report on Management Reform presented at the 46th CND in 2003 accounts for the steps that have been taken during the year. The underlying objective of the report is to recover credibility and regain donor confidence in the organisation. As such, the management reform emphasises the importance of transparency and openness towards member states.

The assessment is that the organisation has made good progress in re-establishing some of the central coordinating function such as monitoring and evaluation, increasing the quality of programme delivery as well as in human resource development. The core issues of governance, unstable and unpredictable funding as well as independent policy development however, are more difficult to change since they require the cooperation of the major donors. Steps have been taken to identify new funding alternatives while involving stakeholders and donors in programming as an attempt to come to grips with the issue of governance and policy/programme development.

2.3.4 Co-ordination and partnerships

The UNDCP is not capable of resolving the problem of illicit drugs alone. It also requires the technical and financial support from partners in order to have the maximum impact. Within the UN System the strategic framework for interagency coordination and cooperation in the field of drug control is the "United Nations System-wide Action Plan on Drug Abuse Control"³ which is based on multi-agency sectoral and subsectoral plans of action. In practice, this plan has been difficult to implement. Proposals have been made for joint programmes but the interest and response have often been lacking. The UNDCP rarely takes the initiative to make proposals of their own while the lack of communication between agencies has led to cases of duplication.

³ See www.unodc.org

At the country level there is the Common Country Assessment and the UNDAF exercise. In certain countries such as Colombia, the UNDCP has played an active role in thematic groups that are more operational and practical in nature. However, the general impression is that UNDAF has not yet become the effective planning and coordinating tool it is meant to be.

The UNDCP has managed to initiate and implement activities together with UNAIDS as well as WHO. This is most likely due to the fact of complementing mandates and areas of specialisation. UNDCP has nevertheless, strengthened its partnership with UNAIDS over the years in order to tackle the increasing incidence of HIV/AIDS through injecting drug use in several regions of the world. This relationship works relatively well and new joint initiatives are being explored.

Ever since its founding, the UNDCP has tried to involve the International Financial Institutions (IFI's), such as the World Bank, and specialised agencies such as FAO in supporting drug control programmes. The response has been lacklustre and few initiatives have been developed and very little financial support has been obtained. The current Executive Director has prioritised partnerships and it remains to be seen what the result will be.

The active involvement of civil society in countering the global drug abuse and crime problem is essential and has been recognised by UNDCP. As a result, the organisation is now tapping these resources in carrying out field projects, especially in the area of demand reduction. Certain NGOs enjoy a special status in their working relationship with the UNDCP. For instance, NGO's in consultative status with the UN Economic and Social Council (ECOSOC), are systematically invited as observers to participate in the regular meetings of the Commission on Narcotic Drugs (CND).

Sweden's assessment is that UNDCP needs to strengthen the coordination mechanisms with other relevant UN agencies and IFI's and should be more active in coordination processes at the national level such as the PRS and the UNDAF.

3. Proposal for Continued Swedish Support to UNDCP

This part of the strategy outlines the important Swedish positions, priorities and instruments that will define the cooperation with UNDCP for the period 2004–2007.

3.1 Motives for Swedish support

The Millennium Development Goals and the international declarations and treaties adopted at the major international conferences, the commitment to human rights and Sweden's own development objectives guide Sweden's international development cooperation. The mandate, principles and priorities of the UNDCP are consistent with the objectives of Swedish development cooperation. More specifically, the work of the UNDCP is in line with issues defined in Sida's poverty strategy, *Perspectives on Poverty*⁴, as well as in Sidas health policy, *Health is Wealth*⁵ that places emphasis on public health issues and especially prioritises illicit drugs and tobacco control. Finally, UNDCP carries out important activities that coincide with the regional and thematic priorities outlined in Sidas Guidelines for Action, *Illicit Drugs and Swedish International Development Cooperation*.

Sweden is convinced that the drug problem is an important obstacle for global social, economic and political development. It has serious consequences for peoples' life conditions all along the production – transit – consumption chain. Production and consumption of illicit drugs are both causes and consequences of poverty. It does not only create vicious circles for individuals, but for whole societies. Illicit drugs also constitute a serious threat to peace and democratic governance and to overall respect for human rights. The complexity of the drug problem motivates efforts both on the international and the national level.

⁴ See www.sida.se

⁵ See www.sida.se

Multilateral development cooperation is an important part of Sweden's ODA and most of Sweden's support to international drug control efforts have been and should continue to be channelled through the UNDCP. Although much remains to be seen of the current reform process, Sweden is committed to support the UNDCP in light of its strong mandate and its unique role in the fight against drugs. It is in the interest of Sweden and the international community that UNDCP becomes a more independent, structured and focused international drug control organisation.

3.2 The principles for Swedish support

The point of departure for the Swedish support to the UNDCP and all operative cooperation with developing countries in the area of narcotic drugs is the normative work performed by the UN, based on the three conventions.

There are three general principles that define Swedish international cooperation in the area of international drug control. These are:

- a shared responsibility, implying that the international drug problem is the common responsibility of producers and consumers, developed and developing countries alike;
- a balanced approach. Given that the international drug situation is a multifaceted problem, a balanced approach between demand and supply reduction is required;
- mainstreaming drug control components into development projects. Demand and supply reduction efforts have to be integrated into development planning.

These principles will continue to guide all cooperation with the UNDCP.

When defining more specific operational Swedish priorities it is necessary to briefly refer to the priorities outlined in Sidas Guidelines for Action: "*Illicit Drugs and Swedish International Development Co-operation*", issued by the Health Division in 2000⁶. In the Guidelines the thematic priorities

⁶ See www.sida.se

are focused on demand reduction and institutional strengthening while the geographical focus is mainly on Africa and Eastern Europe. The priorities recommended in this strategy should not be seen as contradictory to Sidas guidelines but rather as more specific since they refer to funding to UNDCP specifically and not drug control generally.

3.3 General Objective of the UNDCP

From the Swedish viewpoint the overall objective of the development cooperation of the United Nations System is:

to support programme countries in their efforts to achieve the Millennium Development Goals and to realise commitments made in relation to international human rights treaties and major international conferences.

To contribute to this overall objective, UNDCP will support countries to control illicit drugs by providing policy advice, advocacy and programme support in the following areas:

- Drug production
- Drug trafficking
- Drug abuse
- Drug related crime

Specific Objective of Swedish support to UNDCP

Together with other member states, Sweden will help strengthen the capacity of the organisation to fulfil its mission and mandate in a transparent way. To this end the UNDCP should:

- Strengthen its advocacy and dialogue capacity on issues which are at the core of its mandate,
- Continue to explore and develop the linkages between poverty reduction and drug control,

- Continue to pursue a balanced approach to its drug control activities,
- Continue to implement the reforms in management and to identify alternatives in relation to financing and governance,
- Strengthen its capacity to develop partnerships.

3.4 Swedish Positions

The positions presented below are important for Sweden and should guide the dialogue with the UNDCP. They include issues relating to structure and reform as well as project development and delivery.

Development mainstreaming

It is essential that the UNDCP seeks to further clarify the relationship between drug control and other development priorities such as gender equity, poverty reduction, environment and human rights. Poverty and the lack of economic and social alternatives are underlying causes of drug abuse and production and must be addressed if UNDCP is to achieve sustainable solutions to the drug problem. Hence it is important for the UNDCP to seek methods for integrating the drug control perspective into development co-operation and programming. This is particularly important at the country level.

Funding

In order to improve UNDCP's ability to carry out its mandate the organisation requires predictable, stable and flexible funding and a greater proportion of General Purpose funds. These funds should not only cover the costs of management and administration but also enable the organisation to develop and implement independently prioritised operational activities.

Governance

It is important that UNDCP is able to independently define policy, strategy and operational activities. CND's ability to provide guidance to UNDCP rather than the Major Donors Group should be improved and strengthened. Furthermore, the dialogue between the governing bodies, the donor community and assisted countries need to be enhanced to this end.

A balanced approach

A geographic and thematic balance in UNDCP activities should be sought and a mayor portion of the resources directed to the least developed countries. This implies that UNDCP should confront all aspects of the drug problem that is, both the supply side and the demand side in countries and regions affected by drug production and consumption.

The management reform process

The reforms that the UNDCP is currently undergoing must be forcefully implemented. The most salient issues include the strengthening of the central coordinating functions such as monitoring and evaluation, programme development as well as exploring the possibilities of securing more stable and predictable funding.

Coordination and partnerships

UNDCP should make efforts to develop partnerships and joint programming with other UN Agencies, the IFI's and the civil society at large. UNDCP should complement its ability and resources with those of other organisations in order to enhance effectiveness when implementing drug control initiatives. It is essential for the UNDCP to integrate and coordinate its activities with those of the rest of the UN Family.

3.5 Swedish priority areas for financial support

The main difference as compared to the previous Swedish policy towards UNDCP is the fact that geographical priorities have been replaced by thematic priorities. Sweden's General Purpose contribution shall, as previously, be equivalent to 8% of the total annual General Purpose contribution. This represents approximately 25–30% of the total Swedish contribution. The remaining funds should be distributed equally between the following priority areas.

Policy support and advocacy

Since Sweden consider that the UNDCP should function as a specialised international authority on drug control that houses the technical capacity and political credibility to fulfil its mandate, Swedish support to the UNDCP

should be allocated to initiatives aimed at strengthening the organisation's visibility and advocacy capacity. In this respect, documenting and disseminating activities leading to best practice, lessons learned, policy making and methodological development are especially important. In addition, initiatives that complement and strengthen the organisations normative role and core functions such as following up on the scope of the global drug problem should be supported.

Demand Reduction

In consideration of the continued increase in illicit drug abuse in emerging and developing countries and the general orientation of international drug control efforts towards supply reduction activities, Swedish support to the UNDCP should be allocated to initiatives aimed at reducing the incidence and prevalence of drug abuse. Initiatives that look into the connection between drug abuse and both the intravenous and sexual transmission of HIV/AIDS are especially important. Furthermore, initiatives that focus on public health and substance abuse in general and youth and lifestyles in particular should be explored. Demand reduction activities fall naturally within the Swedish bilateral priorities related to health and public health co-operation.

3.6 Instruments

In order to promote and follow up on the above stated Swedish positions, priorities and objectives it is important that Sweden is present and proactive by using the various instruments available to this end. This will require the active involvement of the Ministry, Sida as well as the embassies.

The Commission on Narcotic Drugs

The CND is the formal governing body of the UNDCP. It is an important forum for discussions with the Secretariat, other donors and member states in general. It is at the CND that both operative and normative decisions are made and where member states have the opportunity to affect their outcome. By participating in the annual CND meeting Sweden will be able to monitor the reform process and current resolutions. It is

also important to participate in the inter-sessional CND meetings as well as the more frequent working group meetings that are part of the process towards concrete resolutions and decisions.

The Major Donors Group

The Major Donors Group meetings are informal gatherings of major donors to the UNDCP. These meetings are important to attend since they provide the opportunity to follow up on operational activities and priorities of both the donors and the UNDCP. Although the Major Donors Group has no formal decision making power it is an important forum for bilateral discussions with the UNDCP and other major donors and provides an opportunity to strengthen the coordination between like-minded.

Consultations HQ and the field

It is essential that Sweden initiates regular bilateral consultations with the UNDCP outside the context of the major donors meetings and the CND. Not only is this important in order to promote the Swedish positions and priorities but also to monitor the use of the Swedish contributions, organisational changes and the status of donor funding levels. Furthermore, Sweden should have consultations at the field level where appropriate in order to provide input to the consultations at the headquarters.

Swedish presence in the UNDCP

In view of the strong support given to the UNDCP by Sweden, there are few Swedish professionals in the organisation. It is desirable that the number of Swedish staff in the organisation be increased. Sweden should facilitate the recruitment of Swedish nationals at the Junior Professional, middle and senior level to the organisation by presenting highly qualified candidates.

Financial contributions

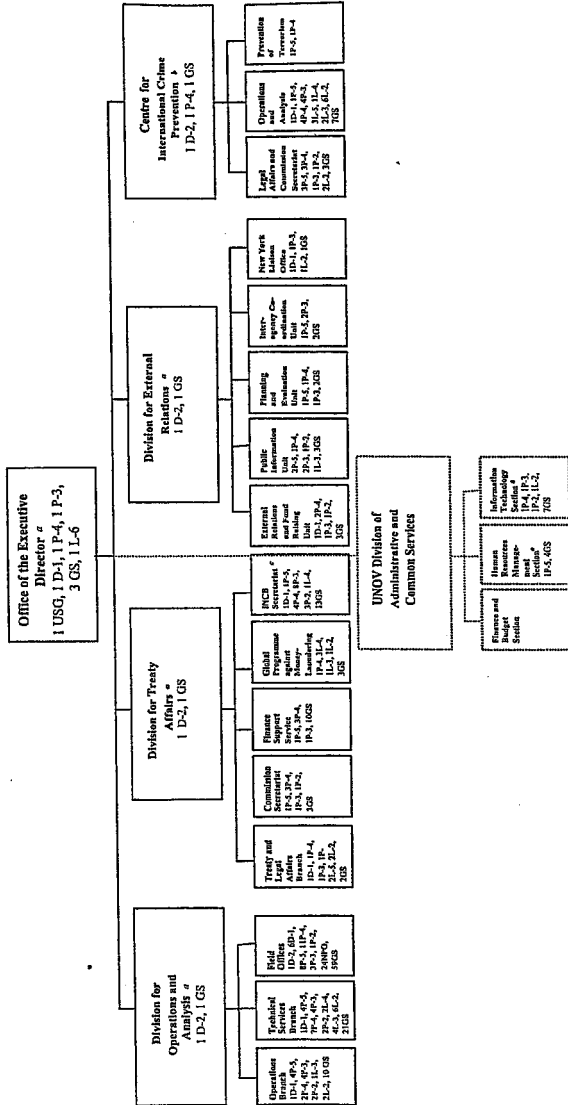
Given the current funding mechanism at the UNDCP, financial contributions are a very important instrument for promoting Swedish positions and priorities. Sweden should continue to provide General Purpose funds to the organisation while softly earmarking the special purpose funds to-

wards demand reduction and policy support and advocacy.

The aim is that the Swedish contribution shall increase gradually in the following years provided that UNDCPs reform process shows results and improved performance.

Annex 1

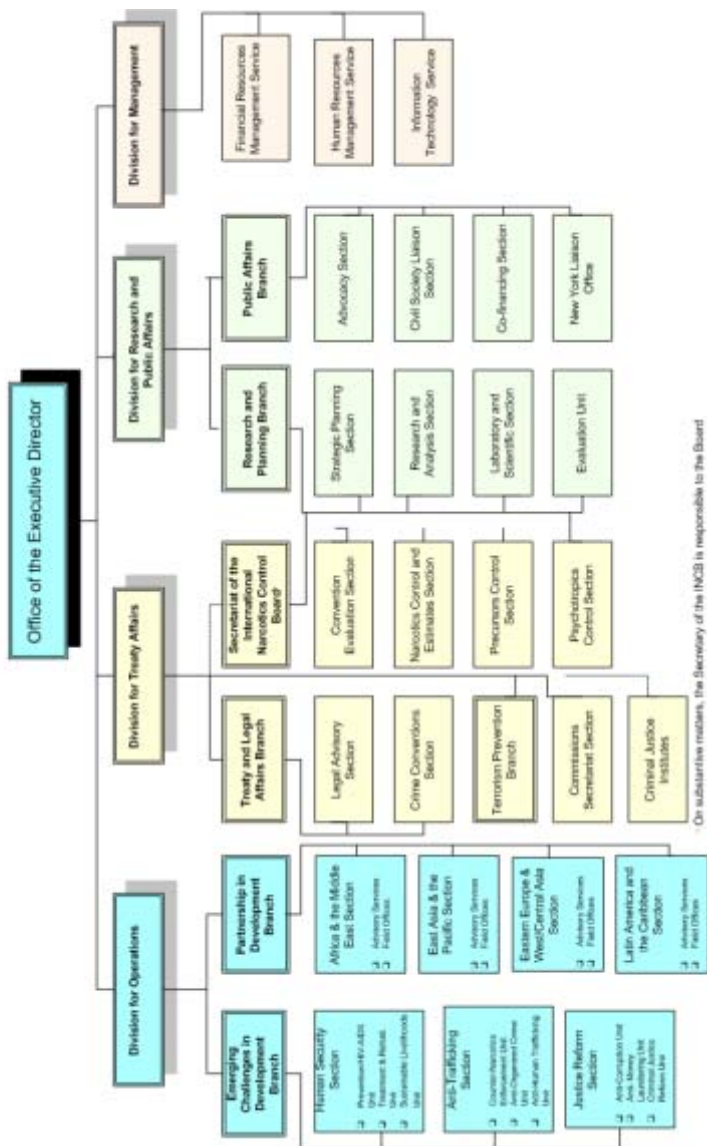
Organizational chart of the United Nations Office for Drug Control and Crime Prevention
(September 2001)



Note: Table reflects posts (excluding general temporary assistance, but including associate experts).
 * Funded from UNDCP regular and extrabudgetary resources.
 † Funded from regular and extrabudgetary resources of the Centre for International Crime Prevention.
 ‡ On substantive matters, the head of the INCB secretariat is responsible to the Board.

Annex 2

United Nations Office on Drugs and Crime



On substantive matters, the Secretary of the INCB is responsible to the Board

Sweden is by tradition a strong supporter of the United Nations recognising the potential of the world organisation to serve the interests of smaller and less developed nations. A significant part of Sweden's international development co-operation is channelled through the United Nations funds and programmes whose task it is to combat poverty and promote human development. In Sweden's view, the UN system has some definite comparative advantages in terms of supporting partner countries in their efforts to achieve the Millennium Development Goals and to realise the commitments they have made in human rights treaties and at mayor international conferences.

To ensure that Sweden has a coherent and co-ordinated Swedish policy approach the Government of Sweden has adopted a strategy framework for UNDCP, which will guide Sweden's support to and relations with this organisation for the next few years.



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