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INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION,
SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND
PSYCHOTROPICS AND RELATED ACTIVITIES

Summary of the high-level segment of the Economic and
Social Council (24-27 June 1996)

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INTRODUCTION

1. The high-level segment of the Economic and Social Council was held from 24 to 27 June 1996. The theme of the segment was "International cooperation against the illicit production, sale, demand, traffic and distribution of narcotics and psychotropic substances and related activities". The segment was attended by a large number of ministers and other high-level representatives.
2. During the segment, on 24 June 1996, the Council held an intensive policy dialogue on major issues in the world economy with Mr. Rubens Ricuperro, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Mr. Prabhakar R. Narvekar, Deputy Managing Director of the International Monetary Fund (IMF), and Mr. Sven Sandstrom, Managing Director of the World Bank. The absence of a representative of the World Trade Organization was noted with regret.

I. POLICY DIALOGUE

3. The policy dialogue with the Secretary-General of UNCTAD and responsible representatives of the heads of the World Bank and IMF focused on trends in the world economy; the issue of globalization; trade; debt; resource flows; and

cooperation and coordination within the United Nations system. Also addressed was the importance of international cooperation in combating the drug problem.

A. The world economy and international cooperation

4. The evolution of world economic growth is encouraging, although many countries continue to have an economic performance below their potential. Developing countries, as a group, are making a major contribution to the growth of the world economy. Their growth, which seems in many cases - particularly in Asia and to some extent in Latin America - to be independent of the growth or lack of it in developed economies, is expected to continue to outpace that of the industrialized countries in 1996-1997. Developing countries are contributing not only to world growth but also to macro-stabilization policies worldwide, in particular through greater internal price stability and significant deregulation of financial markets. Growth, however, remains uneven, with a small number of developing countries growing rapidly, a larger number showing improved performance, and a third group, in particular the least developed and African countries, lagging behind. Many developing countries continue to be faced with the problems of poverty, inadequate infrastructure, capital constraints and low levels of social development. Many of the countries with economies in transition are moving towards a high growth path. However, these countries will continue to need international assistance in the period ahead to overcome the problems of transition.

5. Sound policies, structural changes and economic reforms must continue to be pursued by all countries, including developing countries, to sustain and accelerate growth and development. At the same time, the importance of the external economic environment, particularly the effects of economic and trade policies and developments in developed countries, and of international economic cooperation, was underscored. The suggestion was put forward that the main industrialized countries should coordinate policies of economic expansion to raise demand and combat unemployment, in the context of deepening trade liberalization. The prospective growth environment for developing countries will depend not only on their continuing significant policy adjustments but also on sustained and strong momentum in global trade liberalization leading to rapid growth in world trade. The acute problems of the least developed countries, whose number has increased, can be overcome only with decisive international action and assistance. Partnership between developed and developing countries should be reinforced and extended to civil society as a whole.

6. Recent United Nations conferences have defined the framework for and resulted in commitments to intensify international cooperation for development. Attention must now focus on implementation at the national and international levels. Development strategy should be based on a country's plans, priorities and development needs, and should be country specific, while recognizing that developing countries face many common constraints and problems. International cooperation is necessary to assist developing countries in carrying out their development goals.

B. Globalization

7. Globalization, in particular global financial integration, implies opportunities and challenges. As we continue to assess the risks and benefits associated with globalization, it is time to address the issue of the post-globalization agenda. Many developing countries and countries with economies in transition are liberalizing their trade and investment environment. As a result, private capital flows to developing countries have increased substantially, and have complemented domestic savings and external assistance. However, so far three quarters of these flows have gone to only 12 countries, and such flows can easily be suspended or reversed. Therefore, current efforts to establish a system of financial cooperation capable of providing early warning and preventing the emergence of serious financial crises must be continued and intensified. It was suggested that the international community should also give consideration, as appropriate and in cooperation with national Governments, to ways of dealing with the possible negative effects on developing countries of sudden outflows of private capital. The developed economies should better integrate the international dimension into their macroeconomic and monetary policies, since these have a crucial impact on world growth and development.

8. Globalization discussions so far have mainly referred to trade in goods and services, and have tended to overlook technology, labour and migration flows. It was suggested that labour mobility should be a part of the liberalization agenda.

C. Trade

9. While all partners in the Uruguay round of multilateral trade negotiations have undertaken trade liberalization measures, many developing countries have adopted unilateral measures as well. Liberalization efforts must be further deepened in all countries, taking into account the relevant internationally agreed provisions to address the special situations of developing countries.

10. Economic cooperation and integration at the regional level are also important. Intensified regional cooperation should not be pursued as an alternative to the global liberalization process but should contribute to an open and multilateral trading system.

D. Debt and resource flows

11. Finding lasting solutions to the heavy debt burdens of the least developed countries is crucial in the fight against poverty. Hope was expressed that a solution will be found as the World Bank and IMF continue their joint and ongoing efforts to bring the external debt problems of heavily indebted poor countries, including multilateral debt, to a sustainable level.

12. The provision of new and additional resources, both multilateral and bilateral, is required for achieving the commitments agreed to at recent major international conferences and summits. The problem of declining official

development assistance (ODA) has to be addressed urgently. Adequate financial resources are required to enable international financial institutions to fulfil their mandate, and the recent disconcerting trends and developments in that area were noted.

13. Following the agreement on the replenishment of the International Development Association (IDA), the implementation of related commitments must be ensured. Concern was expressed at the incomplete tenth replenishment of IDA and the prospects for the eleventh replenishment. The IMF Enhanced Structural Adjustment Facility has been established on a permanent basis; ways of financing it should be agreed upon as soon as possible. A substantial increase in quotas is being considered in the IMF Eleventh General Review of Quotas. Agreement on the broad outline of a new arrangement to double resources available under the General Arrangements to Borrow should be finalized and implemented.

E. Structural adjustment

14. Discussions have shown growing international consensus on the main elements of sound economic policies. The proper design and effective implementation of structural adjustment programmes, which fully take into account the social dimension, remain a key challenge. While recent improvement in growth in Africa suggests that well-designed structural adjustment programmes could restore growth, experience has vividly demonstrated that adjustment programmes must take into account the need to expand social investment, provide a social safety net and alleviate poverty. Policies to protect social sectors should assure that the poor have a stronger say in designing plans and setting priorities. Building Governments' capacities should be a priority as well as an appropriate role for civil society. Efforts should be intensified to implement commitment 8 of the Copenhagen Declaration ¹/ regarding structural adjustment programmes.

F. Cooperation and coordination within the United Nations system

15. Progress has been made in the cooperation between the United Nations and the Bretton Woods institutions in a number of economic, social and environmental areas. The United Nations System-wide Special Initiative on Africa and the inter-agency task forces of the Administrative Committee on Coordination (ACC) on the follow-up to major conferences, among others, provide useful avenues for enhanced cooperation between the Bretton Woods institutions and the rest of the United Nations system. A call was made for developing further the cooperation between the United Nations system and the Bretton Woods institutions, and for both a closer policy dialogue at the intergovernmental level on global macroeconomic policy issues and promoting cooperation at the country level. A number of speakers emphasized that strengthening the collaboration between the United Nations system and the Bretton Woods institutions should avoid, within the context of the United Nations operational system, new conditionalities and restrictive policies. The ongoing reform of the multilateral financial institutions was noted. The reform of UNCTAD, in particular the streamlining and simplification of its intergovernmental machinery and secretariat structure, and the clear, refocused and reinforced mandate given to it at its ninth

session, were also welcomed. The need to explore ways to broaden and enhance coordination of monetary and financial institutions was emphasized.

16. Many speakers noted that the high-level policy dialogue of the Council with heads of multilateral trade and financial institutions has proven to be very useful in facilitating discussion of international economic issues, including those arising from the process of globalization and liberalization. Some participants suggested that the dialogue might gain from being more focused on selected themes. Attention was drawn to the need to ensure that participation in the one-day policy dialogue should continue to be at the executive head level, as in previous years. The President of the Council was encouraged to pursue this question with the parties concerned.

G. Drug abuse control

17. The need to integrate drug abuse control in the national and global policy agenda was emphasized. A comprehensive and multidimensional approach to the problem is needed, with the effective involvement of all partners, including the international financial institutions.

II. INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES

18. The report of the Secretary-General on international cooperation against the illicit production, sale, demand, traffic and distribution of narcotics and psychotropic substances and related activities (E/1996/57) provided the basic background documentation for the high-level segment debate. The report provided a concise and comprehensive overview of the extent of drug trafficking and abuse worldwide, which was closely linked with the problems of organized crime and money laundering. It emphasized the social and economic cost and consequences of drug abuse on society.

19. The challenge posed to societies by drug abuse and illicit trafficking has many facets and dimensions: it transcends national and geographical boundaries, affects different social and age groups, and stands at the cross-roads of many social and economic issues. Drug abuse has devastating social effects, including its harmful impact on youth, families, other social groups and the workplace, and adverse health consequences as well, including those resulting from the relationship between substance abuse and a number of major diseases and disorders and the spread of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS).

20. From their activities and the laundering of their illicit proceeds, drug trafficking organizations derive sufficient economic power to undermine democratic institutions through corruption, and to distort economies through both the effects of the very large sums involved on financial systems and the take-over of legitimate businesses by drug traffickers. There is a strong link between drug trafficking, money laundering, terrorism in all its forms,

organized crime and traffic in arms, all of which are major threats to national and international security.

21. The drug menace affects developed and developing countries alike. The current trends and patterns of drug abuse and traffic have made difficult the categorization of countries as producer countries, transit States, and consumer countries.

22. The scale of the problem calls for reaffirmation of the political will and the national commitment to concrete action, enhanced international cooperation founded on collective and shared responsibility, and international solidarity in the implementation of counter-strategies. Initiatives to counter the drug problem should be undertaken with full respect for national sovereignty and territorial integrity.

23. A comprehensive, multidisciplinary and balanced approach to addressing the growing complexity of the drug phenomenon at the national, regional and international levels is an essential requirement. National drug strategies based on a balanced approach, whereby demand reduction and supply reduction are inseparable, mutually reinforcing elements of those strategies, are being increasingly adopted by Governments. Prevention, treatment, and social rehabilitation measures must be an integral part of drug control strategies, as a complement to law enforcement measures targeting illicit traffic.

24. One of the prerequisites for closer cooperation in drug control is the universal ratification of the international drug control treaties: the Single Convention on Narcotic Drugs of 1961, the Convention on Psychotropic Substances of 1971 and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. The current drug control treaties and the Global Programme of Action adopted by the General Assembly at its seventeenth special session provide the necessary framework for international cooperation. While these instruments can be fine-tuned, what is of paramount importance is the political will and the sustained commitment of Governments to ensure their effective implementation. The adoption of strong domestic legislation and policies is an essential prerequisite for making full use of the opportunities for international cooperation provided by the international drug control treaties, particularly the 1988 Convention. During the high-level segment of the Economic and Social Council, Governments renewed their commitment to taking firm action along the lines of policies currently in place.

25. Legalization of the non-medical use of drugs was strongly opposed. Initiatives that diverge from the drug control policies of the international community undermine efforts to implement the drug control treaties. It was recalled that throughout the world the overwhelming majority of young people have chosen not to use illicit drugs and that the population at large has repudiated illicit drugs.

26. To make further progress in the implementation of the drug control instruments it is important to take stock of measures taken by Governments, to gauge difficulties encountered in their implementation and to identify the areas where assistance is required. This could be achieved through periodic reporting

to the Commission on Narcotic Drugs on measures taken to further their implementation.

27. It was considered important that Governments establish the necessary framework to ensure the coordination and coherence of action at the national level and establish comprehensive national drug control master plans promoted by the United Nations International Drug Control Programme (UNDCP) as a mechanism to ensure coordination in the implementation of drug control policies at the national level.

28. Several representatives informed the Council of measures taken by their Governments to fulfil their treaty obligations and counter the drug threat. In that regard, new legislation had been adopted and penal codes amended to comply with the provisions of the international drug control treaties and facilitate the investigation and prosecuting of drug trafficking offences. Regional and bilateral agreements and arrangements had been concluded to facilitate cooperation and strengthen the capacity of Governments to combat drug trafficking syndicates and counter cross-border traffic, money laundering and the diversion of precursors. Several speakers outlined extensive demand reduction programmes to target domestic drug abuse problems and reported on successes that had been achieved in reducing demand. The attention of the Council was drawn to a number of trends in drug abuse and trafficking, and several representatives stressed the problem of growing abuse of synthetic drugs with stimulant properties.

29. Drug trafficking organizations are violent, brutal and ruthless with regard to those responsible for ensuring the enforcement of law and order. Law enforcement officers should be provided with adequate specialized training to counter their operations.

30. Efforts to counter money laundering constitute an integral part of international drug control. They are essential in order to target the economic power of drug traffickers and prevent the distorting effects on financial markets. International action against money laundering should be enhanced through the full and effective implementation of the provisions on money laundering of the 1988 Convention, in particular article 7, and of the bilateral, regional and multilateral agreements or arrangements on money laundering. A strong commitment by all Governments is required. Some speakers suggested that consideration be given to the preparation of an international instrument on money laundering, while others emphasized the importance of implementing existing instruments. It was suggested that a joint unit on money laundering could be established between UNDCP and the Crime Prevention and Criminal Justice Division of the Secretariat.

31. It was essential for Governments to increase their efforts to reduce the production and supply of illicit drugs. In this regard, it was emphasized that Governments should increase their efforts to prevent the diversion of precursors and essential chemicals frequently used in the illicit manufacture of illicit drugs, and strengthen international cooperation in this area, pursuant to article 12 of the 1988 Convention.

32. Alternative development programmes represent an essential component of international drug programmes. UNDCP should play a catalytic role and consider providing seed money to initiate alternative development programmes. Bilateral assistance agencies, programmes and funds of the United Nations system involved in providing technical assistance, as well as international financial institutions, should play a more active role in supporting alternative development programmes that accompany the elimination of drug crops. Given the large expenditure required for alternative development, it is essential that there is complementarity and cooperation between the various agencies concerned. Drug control activities should be included as an integral part of development strategies. The commitment of the Government and the participation of the affected rural population in the decision-making process are also essential.

33. The need for a stronger effort to reduce demand for illicit drugs was stressed. Civil society, including non-governmental organizations, should be mobilized to play a more active role in demand reduction, particularly in the field of primary prevention. One of the important objectives was to increase awareness, particularly of children, youth and other vulnerable groups, to the risks of drug abuse. Education among young people is crucial to demand reduction.

34. To give greater priority to demand reduction, a declaration on the guiding principles of illicit demand reduction was considered important by several delegations. UNDCP was invited to continue to develop, as a matter of priority, the declaration on the guiding principles of reduction of illicit demand for drugs. The declaration should serve to establish agreed principles, guidelines and common denominators acceptable to the international community.

35. The specialized agencies of the United Nations system, particularly the International Labour Organization, the United Nations Children's Fund, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization and the World Health Organization had critical roles to play in reducing the illicit demand for drugs. Particular reference was made to the importance of prevention through education programmes to protect youth and street children. Demand reduction programmes should address the ethical and cultural dimensions of the problem in national educational policies and programmes.

36. Many developing countries lacked the resources to implement fully the provisions of the international drug control treaties and apply law enforcement and control measures commensurate with the scale of the drug problem. Drug abuse and trafficking constituted an additional burden which undermined their sustainable social and economic development. UNDCP was invited to assist African States in the implementation of the African Plan of Action for Drug Control, to be adopted by the Organization of African Unity in July 1996. The ongoing efforts of UNDCP to include drug control elements in national development strategies as well as in international economic and social cooperation programmes were encouraged. In that connection, it was stated that the international community should provide financial and technical assistance to developing countries.

37. Countries with economies in transition which have been adversely affected by the illicit traffic and drug abuse that provided organized criminal groups with the means to undermine the democratic process and hamper the emergence of a viable market economy also need to be assisted in their efforts to combat the drug menace.

38. Strong support was expressed for the regional and subregional approach of UNDCP which has been highly effective as a means to enhance cooperation and coordination of activities in drug control at the regional level, particularly in countering cross-border traffic. UNDCP was invited to continue, as a priority, to support initiatives for closer regional and subregional cooperation.

39. As a centre of expertise, UNDCP should improve its capacity to collect and analyse data on the various aspects of the drug problem with a view to facilitating the provision of policy advice and assistance to Member States based on an assessment of the various aspects of the drug issue. The development of the information management and analysis capacity of UNDCP was crucial to its leadership and coordination role within and outside the United Nations. At the national level, Governments should improve their capacity to collect, analyse and disseminate data regarding the domestic drug problem. National authorities should cooperate with UNDCP and the International Narcotics Control Board by responding to their requests for such information. Some representatives referred to the country reports as the basis for reviewing the drug situation in the respective countries and stated that the evaluation of the drug situation and of measures to combat drugs should be limited to the United Nations bodies entrusted with evaluation responsibilities.

40. The United Nations system has a critical role to play in addressing the global threat of drug abuse and illicit traffic, particularly in the adoption and implementation of agreed standards and norms. The drug issue should be a priority concern of all relevant United Nations agencies, programmes and funds, as well as the international financial institutions.

41. The recent actions taken by the Administrative Committee on Coordination to ensure the increased commitment by specialized agencies, programmes and funds, as well as the international financial institutions, to include the drug dimension in their programmes of work were welcomed.

42. The United Nations System-wide Action Plan on Drug Abuse Control provides a vital tool for the coordination and enhancement of drug control activities within the system. An increasing number of agencies in the United Nations system are now addressing the drug issue within their respective fields of competence. Inter-agency coordination represents an important contribution to the fight against illicit drugs at the international level. The coordinating functions of UNDCP at the policy and operational levels should be strengthened to ensure that the United Nations system can develop a concerted response to the drug problem. Also essential is continued cooperation with the International Criminal Police Organization-Interpol, the Financial Action Task Force and other bodies outside the United Nations system with important functions in the fight against various aspects of the drug menace, as well as continued cooperation among those bodies.

43. The limited and reduced resources available to UNDCP from the United Nations regular budget were considered insufficient to meet the demands made on the Programme. Dependence on a limited number of countries for voluntary contributions and a reduction in general purpose contributions have placed UNDCP in a vulnerable position. UNDCP should be provided with adequate resources to fulfil its mandates and become a centre of excellence focusing on policies and their implementation. In the short term, it is essential for more States to assume responsibility for the financial situation of UNDCP. By providing it with resources commensurate with its mandate and exercising responsibility for its governance, they could demonstrate their commitment to UNDCP.

44. Strong support was expressed for the proposal emanating from the Commission on Narcotic Drugs concerning the convening of a special session of the General Assembly in 1998. Such a session should serve to reaffirm the commitment to national and international drug control as a high priority and enable agreement to be reached on measures to strengthen international drug control on the basis of shared responsibility. A number of Governments stated that it would also provide an occasion to consider measures to improve the functioning of the intergovernmental and technical bodies involved in international drug control. Some speakers suggested that the General Assembly could, on that occasion, give special attention to issues such as precursor control, abuse of and traffic in stimulants and their precursors, and the struggle against money laundering. The active participation of all States and agencies in the preparation of the special session was considered essential to creating the political momentum and support that such a session required. The high-level segment had contributed to its preparation and the Council could make a further contribution to the preparatory process.

Conclusions

45. Some of the main conclusions emanating from the high-level segment are outlined below:

- Confirmation of the high priority assigned by States to international drug control; determination to undertake concerted action at the multilateral level and ensure universal adherence to the international drug control treaties.
- Reaffirmation of the commitment for drug control to remain one of the top priorities of the United Nations medium-term plan for the period 1998-2001.
- Consideration of appropriate measures to improve the functioning of the intergovernmental and technical bodies involved in international drug control.
- Reconfirmation of the leadership and coordination role of UNDCP, especially within the United Nations system; and provision to UNDCP of the resources required to fulfil its leadership and coordination function, as called for by the General Assembly.

- Addressing drug control cooperation issues in the governing bodies of the agencies, programmes and funds of the United Nations system and the international financial institutions.
- Improvement and enhancement of the intergovernmental system for evaluating the implementation of the drug control instruments, with the support of Member States.
- Mobilization and forging of strong partnerships with all actors of civil society, particularly non-governmental organizations, community-based organizations, sports associations and the private sector.
- Practical implementation of the drug control instruments through the adoption of appropriate laws and the establishment of institutions for their enforcement at the national level, according to national policies and priorities.
- Adoption of national drug control master plans, based on a balanced approach giving equal importance to measures to reduce the demand for and measures to reduce the supply of illicit drugs.
- Adoption of appropriate mechanisms for coordination at the national level endowed with the necessary legal and political authority.
- Encouragement of bilateral cooperation and multilateral agreements to combat drug trafficking and abuse.
- Allocation at the national level of resources commensurate with the recognized dimension and gravity of the drug problem; and recognition of the need for international cooperation and assistance in this regard.

Notes

1/ See Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995 (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex I.
