



## Economic and Social Council

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### Commission on Narcotic Drugs

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Agenda item 10

#### Draft report

##### Addendum

*Rapporteur:* Mr. Hae-moon **Chung** (Republic of Korea)

#### Administrative and budgetary questions

##### A. Structure of the debate

1. The Commission began its consideration of agenda item 10, entitled "Administrative and budgetary questions", at its ... meeting, on ... March 2001. For its consideration of the item, the Commission had before it the following documents: the report of the Executive Director on the proposed outline for 2002-2003 for the Fund of the United Nations International Drug Control Programme (E/CN.7/2001/8); the report of the Executive Director on the proposed revised biennial support and programme budget for 2000-2001 for the Fund of the United Nations International Drug Control Programme (E/CN.7/2001/9); and the report of the Advisory Committee on Administrative and Budgetary Questions on the proposed revised support and programme budget for 2000-2001 and proposed outline for 2002-2003 (E/CN.7/2001/10 and Corr.1). It also had before it four conference room papers (E/CN.7/2001/CRP.4-6 and 9).

2. At the 1205th meeting, on 27 March 2001, the representative of UNDCP made a statement introducing the budget of UNDCP. He informed the Commission of the content of the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). Statements were also made by the representatives of Sweden (on behalf of the States Members of the United Nations that are members of the European Union and associated countries), Denmark, the United Kingdom of Great Britain and Northern Ireland, Egypt, Madagascar, France, India, Australia, the Netherlands, the United States of America, Turkey and Italy.

## **B. Deliberations**

3. Several representatives commended the Programme Support Service of UNDCP on the comprehensive and high-quality presentation on the budget of the Fund of UNDCP. They referred to the important role played by the inter-sessional meetings of the Commission in considering budgetary matters.

4. The Secretariat introduced the proposed guidelines on the use of general-purpose funds (E/CN.7/2001/CRP.5). He indicated that the main purpose of the guidelines was to define priorities in a framework that provided operational flexibility, transparency and accountability in the use of those funds. Most of the general-purpose income was currently required to fund the support budget. He stated that the remaining general-purpose funds would be used to support programme priorities to be approved by the Commission. He also indicated that a minimum general-purpose fund balance was required for efficient cash flow and project implementation.

5. Many representatives welcomed the set of management measures introduced by UNDCP. It was noted that, to enhance the delegation of decision-making with regard to the approval of projects, UNDCP had established an internal programme and project committee. Several representatives welcomed the introduction of a new evaluation policy and looked forward to its full implementation in 2001.

6. Several representatives called on UNDCP to introduce the result-based budgeting concept, noting that other United Nations bodies had already introduced that budget technique. It was noted that UNDCP would present its next budget submission based on the most relevant aspect of result-based budgeting. Many representatives welcomed the introduction of the new financial management system, Profi, which enhanced overall transparency and contributed to sound financial management. Some delegates considered that the cost of Profi should be included in the support budget.

7. UNDCP was commended for its efforts to increase the efficiency of its programmes and to control cost. In particular, the programme-to-support ratio had improved from 67:33 to 80:20, reflecting improved programme delivery without increasing the support budget. Delegates also welcomed the reduction in the number of projects and agreed with ACABQ in recognizing the Executive Director's efforts in consolidating and improving operational activities.

8. Many representatives expressed concern over the level of general-purpose resources, which had been noted by ACABQ. The Executive Director was called upon to continue his initiatives to broaden the donor base of the Fund of UNDCP. Some representatives expressed the view that the decline or low level of general-purpose income was a reflection of diminishing donor confidence in the management of UNDCP. It was indicated that, while the general-purpose fund balance had indeed declined, as requested by the Commission, the level of general-purpose income had shown only marginal decreases over the years, mainly because of less interest income on lower fund balances.

9. Several representatives referred to the issue of programme support cost arrangements for nationally executed projects, proposed by UNDCP (E/CN.7/2001/CRP.5). It was indicated that the Commission should give further consideration to that matter, drawing on the experience of other United Nations agencies. Several representatives reserved their position on the percentage levels. Others were not in favour of charging up to the proposed 13 per cent.

10. Some representatives noted with concern the limited resources allocated to Africa, particularly to sub-Saharan Africa. Several representatives expressed the concern of their Governments over the growing problem of illicit cannabis cultivation and trafficking in the region and the continuing lack of resources to eliminate illicit cultivation through alternative development. The Secretariat reiterated its aim to balance the regional distribution of resources, taking into consideration the priority needs of Africa and available general-purpose and earmarked funds.

11. At its ... meeting, on ... March 2001, the Commission considered a draft resolution on the revised budget for 2000-2001 (E/CN.7/2001/9, para. 26), which was adopted unanimously. At the same meeting, the Commission considered a draft resolution entitled "Outline for the biennium 2002-2003 for the Fund of the United Nations International Drug Control Programme" (E/CN.7/2001/8, para. 6); the draft resolution was unanimously adopted on the understanding that, as proposed by the Chairman, the outline would be revised, taking into account the views expressed at the forty-fourth session of the Commission.

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