Executive Brief

Implementation Update: 2

March 2011



Summary of key developments in 2010

1. Our main achievements

Illicit trafficking and smuggling

- Enhanced border security in the Greater-Mekong Subregion, with some significant drug seizures and arrests directly attributable to the operations of **Border Liaison Offices** (BLOs) which have been established with UNODC support over the past decade.
- Identification of key trafficking/smuggling concerns and 'hot spots' (including with respect to drugs, people and natural resources) through surveys of BLO officers in Cambodia, Viet Nam and Thailand.
- Improved availability of comparative regional **data on ATS** and other drugs through the SMART programme surveys.
- Enhanced capacities of **front-line law enforcement officers** through training, especially computer-based training.
- In the area of human trafficking, migrant smuggling and tackling environmental crimes (namely timber and wildlife trafficking), UNODC has established important new **partnerships** in 2010 and initiated implementation of new initiatives that are anticipated to deliver results in 2011.

Governance

- UNCAC ratification by **Thailand**, in part, as a result of advocacy by UNODC, and the adoption of an UNCAC implementation plan by **Viet Nam**.
- Increased capacity of the Economic Police in Viet Nam to identify, investigate and
 prosecute economic crimes, including money laundering cases. Data for 2010 shows a
 significant increase in the number of cases handled and the value of assets frozen or
 confiscated.
- The establishment of **corruption 'Complaint Posts'** in Indonesia, run by NGOs selected by the Corruption Eradication Commission, and specifically focused on addressing cases of corruption within the Indonesian judiciary and court system.
- Anti-Corruption Awareness Training and Certification completed for 120 **senior judges** in Indonesia.
- Over 40 representatives of public and private sectors are now members of Indonesia's newly established **Anti-Corruption Forum**.
- **High-visibility anti-corruption** engagements in Indonesia and Viet Nam to mark the International Day against Corruption (9 December).

Criminal justice

- Ratifications of crime and terrorism conventions by Indonesia, Lao PDR, and Nauru. (Nauru became one of only seven countries in the world to have completed the ratification of all 16 counter-terrorism instruments.) The Solomon Islands and Tuvalu are finalizing their ratification process for the remaining instruments.
- The Philippines and Thailand have taken important steps towards developing legislation
 on countering the financing of terrorism, drawing on specialized assistance from joint
 initiatives of the IMF and UNODC.
- Lao PDR and the Philippines drafted **legislation on international cooperation** in criminal matters with UNODC support.
- Also drawing on extensive UNODC assistance, Fiji, Papua New Guinea, Tonga, and Vanuatu took significant steps in developing **legislation on counter-terrorism**.
- Agreement has been given by ASEAN Member States to work with UNODC to establish
 a regional network of prosecutors to help strengthen responses to transnational
 organized crime. A regional Prosecutor Exchange Programme (PEP) has also been
 developed, and will start in 2011.
- Partnerships on criminal justice responses to terrorism for East/South-East Asia and for the Pacific have been initiated. They aim, in each case, to provide coordinated technical assistance tailored to country-specific, capacity-building needs.

Drug demand reduction

- Opening of the first **methadone clinic in Cambodia**, with support from UNODC on methadone procurement.
- Reduction in drug use relapse rates at UNODC-supported project sites in Viet Nam.
- Reduction in numbers of opium addicts at UNODC-supported project sites in Lao PDR.
- Increase in the momentum, advocacy and communication with governments to shift away from detaining people who use drugs in **compulsory centres for drug users** (CCDUs). The alternative being advocated for by UNODC is for the expansion of evidence-based, voluntary, drug treatment services in the community. Increased interest and willingness by some governments in the region to explore voluntary, community-based drug treatment approaches, evidenced by the study visits requested by some governments to visit and observe the new Cure and Care clinics in Malaysia. This follows the high-level Inter-Governmental Regional Consultation on Compulsory Centres for Drug Users organised by UNODC, ESCAP and UNAIDS in December 2010.

HIV/AIDS

- Finalization of a *Strategy to Halt and Reverse the HIV Epidemic* among People who Inject drugs in Asia and the Pacific 2010-2015, involving WHO, UNODC, UNAIDS, GFATM and ANPUD.
- In Myanmar, UNODC has made a direct contribution to **increasing access for injecting drug users** (IDUs) to treatment and harm reduction services. This occurs both at specific

- project sites and in terms of overall national coverage. According to national figures, IDUs accessing drop-in-centre (DIC) services increased by 14% in 2010 as compared with 2008. National needle-syringe distribution also increased to more than 5 million from a figure of 3.5 million in 2008. There is a direct correlation between these results and UNODC operations through its two main HIV projects in country.
- Availability of up-to-date **strategic information** in the areas of national policies, financial and human resource availability and coverage of HIV prevention and treatment interventions for people who inject drugs in 15 countries in Asia. This has been made available through the *Baseline Assessment of Policies, Resources and Services for People who Inject Drugs*, a survey commissioned by the UN Regional Task Force on Injecting Drug Use and HIV/AIDS for Asia and the Pacific.

Sustainable livelihoods

- The **annual opium surveys in Myanmar and Lao PDR** were successfully completed and the results were published in the regional report "*South-East Asia: Opium survey 2010*" which was launched on 13 December 2010 in Bangkok.
- In Lao PDR, UNODC has successfully supported the establishment of **alternative livelihood opportunities** in more than 30 villages in Phonglsay Province, 5 villages in Oudomxay Province and 27 villages Houaphan Province.
- Evidence of improved living conditions includes increased household income, access to
 credit, improved water and sanitation facilities and improved market access through road
 construction. Gender-disaggregated data regarding access to benefits has also been
 collected and reported on.
- Additional funding has been secured in Lao PDR to sustain and further develop alternative development programmes.
- In Myanmar, 2010 has been a year of transition while negotiating the scope and location of UNODC's support to AD/SL programmes with the Myanmar government.

 Nevertheless, useful baseline and planning data has been collected during the year.

UNODC's programme implementation capacity

- Partnerships. Strong partnerships are a key to our operational effectiveness. A number of existing partnerships have been strengthened in 2010, as well as new partnerships developed. Examples include our work in Cambodia with the UN Country Team on drug dependence treatment, our active participation in the One UN process in Viet Nam, our partnership with INTERPOL and World Vision Australia on Project Childhood, and our partnership with INTERPOL, CITES and the WCO in relation to developing a regional strategy to address forestry and wildlife crime.
- *Systems*. UNODC has continued to improve its results-based management systems. This includes our systems (and staff skills) for programme/project design, monitoring and reporting, staff performance management, financial management and communications.
- **Resource mobilization**. At the beginning of 2009, UNODC had secured US\$38m for Regional Programme implementation. A year later (January 2010) a total of US\$57m had been secured. As of December 2010 a total of US\$73m has been secured. In precise terms, UNODC has successfully mobilized an additional US\$16.8m in 2010.

 Accountability. In 2010 we prepared and launched UNODC's first-ever Client Feedback Survey, aimed at promoting UNODC accountability and responsiveness to its clients.
 The results have been published (including website access), and UNODC is factoring the feedback received into ongoing programme development and management.

2. Strategic challenges

Illicit trafficking and smuggling

- **Poppy cultivation and opium production** continued to increase in 2010, particularly in Myanmar.
- There is large-scale spillover from **methamphetamine pill production** in Myanmar to neighbouring countries in the Greater Mekong Sub-region (GMS).
- The diversion of **licit chemicals** and pharmaceutical preparations for the manufacture of methamphetamine is increasing in the region.
- The region's performance in prosecuting **human trafficking** offenders appears to have deteriorated sharply in recent years.
- Our understanding of the nature and scale of human trafficking remains patchy, in particular due to lack of effective **victim identification**.
- Tigers, black rhinos and a wide array of trafficked **Asian wildlife** (e.g. pangolins, reptiles, etc.) are under severe threat of extinction due to poaching and habitat loss.
- Despite log bans, quota systems and a range of regulations on commercial logging, the **trade in illicit timber** is still flourishing in South-East Asia.
- Available evidence indicates that migrant smuggling within, through, and from East and South-East Asia remains a significant challenge. Also, in 2009 and 2010, there has been a revitalization of migrant smuggling by sea to Australia and, to a lesser extent, Canada using South-East Asia as an important staging point for migrants coming from West and South Asia.

Governance

- Transparency International's 2010 Corruption Perception Index identifies all but one of the countries that UNODC is working with in the region as 'significantly corrupt'.
- "Good Governance" is at the core of social progress and better standards of life. A key challenge to realizing **good governance** in the region remains the comprehensive implementation of the United Nations Convention Against Corruption (UNCAC).
- Identifying **money-laundering** activities and recovering criminally acquired assets remains critical in the fight against organised crime and corruption. However, there remain few cases of successful prosecution, particularly with respect to corruption cases.
- Effective anti-corruption efforts require the participation of all members of society, including **civil society groups**, individual members of the public and the media. Public engagement often makes a real difference.

Criminal justice

- National legal frameworks in many countries remain in only partial compliance with the
 provisions of the crime and terrorism conventions which the respective countries of the
 region have already ratified.
- Improvements are required in the **criminal justice procedure** of some countries to ensure full respect for and protection of human rights provisions.
- This is also a prerequisite for effective international cooperation in criminal matters.
 Otherwise, requests for mutual legal assistance and extradition may be refused on the grounds of unfair prosecution.
- **Specialised technical capacity** and inter-disciplinary coordination is increasingly crucial for tackling criminal organisations and terrorist networks.

Drug demand reduction

- The **high prevalence of ATS use** in some countries (Cambodia, Lao PDR, Philippines, Thailand) and rapidly increasing use in others (China, Malaysia, Myanmar, Viet Nam) presents a significant challenge to the delivery of evidence-based services for drug users. While there are well-developed intervention packages and pharmacotherapies for opiate dependence in the region, that is still not yet the case for ATS.
- Use of compulsory centres for drug users (CCDUs) remains prevalent in the region.
 Nonetheless there is increasing awareness and recognition of their limitations in addressing drug use as a chronic relapsing health disorder.
- There are few evidence-based, effective **drug prevention programmes** in the region.

HIV/AIDS

- Prevalence of **HIV among people who use drugs** remains high in several countries in the region.
- At the same time there is low coverage of HIV prevention, treatment and care interventions, compared with levels recommended by WHO, UNODC and UNAIDS.
- There is still a significant **disconnect between national drug laws and policies and HIV strategies and policies**. Criminalization of drug use, and policies aimed at a 'drug free society', often run counter to evidence-based harm reduction objectives.
- The risk of HIV (and other blood-borne disease) transmission is high among people who use drugs and who are detained in **compulsory centres for drug users**. At the same time there is an absence of, or limited availability of, HIV prevention, treatment and care services in such settings.
- There is a high prevalence of **Hepatitis C**, **including co-infection with HIV**, among people who inject drugs and a lack of affordable treatment for Hepatitis C.

Sustainable livelihoods

• While the **opium production problem** has been largely contained – and reduced – in the past two decades, there are worrying signs that the situation (primarily in Myanmar) is

reversing and becoming worse from a drug control point of view. In the 2010 poppy growing season recorded a 22% increase in poppy cultivation in South-East Asia, from 33,811 ha to 41,389 ha. This marked the fourth consecutive annual cultivation increase. Myanmar continues to be the main poppy cultivator and opium producer in the region. Most of the increase took place in North Shan and South Shan.

- During 2009-2010, opium production also increased in the region's other minor producer Lao PDR.
- **Food insecurity**, poverty and (in Myanmar) conflict are the main factors driving opium production.
- There is clear evidence that Alternative Development programmes can successfully reduce illicit crop cultivation and opium production, and improve people's lives.
 Political support, adequate security and development assistance are nevertheless all pre-requisites for successful outcomes.

3. Resource mobilisation and financial status

At the beginning of 2009, UNODC had secured US\$38m for regional programme implementation. A year later (January 2010) a total of US\$57m had been secured. As of December 2010 a total of US\$73m had been secured. In precise terms, UNODC has thus successfully mobilized an additional US\$16.8m during 2010, as shown in Figure 1 below.

Figures in US\$,000s	STATUS in January 2009			STATUS in January 2010			STATUS in January 2011		
	TOT BUDGET	PLEDGED	BALANCE	TOT BUDGET	PLEDGED	BALANCE	TOT BUDGET	PLEDGED	BALANCE
Sub-total 1 - Illicit trafficking	30,758	8,516	-22,242	28,805	15,361	-13,444	29,774	24,577	-5,197
Sub-total 2 - Governance	10,587	4,138	-6,449	8,289	7,983	-306	9,958	9,105	-853
Sub-total 3 - Criminal Justice	24,241	8,093	-16,148	12,769	9,504	-3,265	11,313	10,695	-618
Sub-total 4 - Drug demand reduction	17,411	2,689	-14,722	9,723	5,511	-4,212	9,735	5,667	-4,068
Sub-total 5 - HIV and AIDS	20,356	7,045	-13,311	12,552	7,278	-5,274	13,110	7,847	-5,263
Sub-total 6 - Sustainable livelihood	17,531	7,888	-9,643	20,035	11,081	-8,954	19,911	14,159	-5,752
GRAND TOTAL	120,884	38,369	-82,515	92,173	56,718	-35,455	95,249*	73,498	-21,751

Figure 1 – RP financial situation in 2009/11

As a result of efforts to close the gap between planned activities/budget and the resources secured, the shortfall has shrunk by 40% compared with January 2010 and by 75% compared with January 2009 (see Figure 2).

The sub-programme on illicit trafficking still represents the most significant share of the overall programme, both in terms of budget size and pledged resources.

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¹ Most of the increase was in Shan State of Myanmar where 92% of the poppy is grown. Total estimated opium poppy cultivation in Myanmar was 31,700 ha in 2009 and 38,100 ha in 2010. Source: South-East Asia Opium survey 2010: Lao PDR and Myanmar, UNODC, December 2010, p.50.

Nevertheless, two main concerns have emerged in 2010, namely:

- with only 2 years left before the formal conclusion of the first Regional Programme, there
 is a need to build a financial foundation to continue the programme activities beyond
 2012; and
- at country level, no additional resources have been mobilized in 2010 to conduct new activities in Cambodia and China.

Approximately 77% of the total projected programme budget (which, for operational purposes, has now been extended to 2014) has been successfully mobilized.

Efforts are underway to secure donors for the remaining 23% of unsourced funding.

Funding for the secured amount has been provided by the following donors. Their contributions to the programme are hereby gratefully acknowledged.

Figure 2 - Budget and pledges trends (2009-2011)

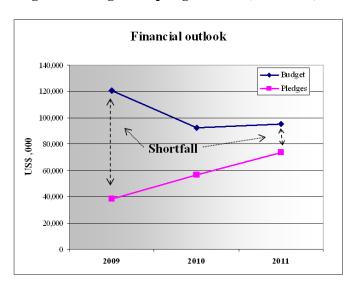


Table 1 – Contributors to the Regional Programme (as at March 2011)

Australia Japan Thailand Canada Luxembourg United Kingdom Cambodia Myanmar United States of America New Zealand China UN (including trust funds, the One UN Plan European Union Norway in Viet Nam and Germany **OPEC** UNAIDS) Italy Republic of Korea Viet Nam Lao PDR Sweden Switzerland

