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INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

cicad

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SECURING OUR CICAD'S FUTURE

GENERAL SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES, WASHINGTON, D.C. 20006



Securing our CICAD's future

James F. Mack
Executive Secretary

I want to talk with you today about what we collectively need to do to secure CICAD's future against the serious challenge of a very difficult financial situation.



CICAD: Who Are We?



I know you are all aware of the circumstances of our CICAD's FOUNDING, our organization's CORE MISSION and our MAIN OBJECTIVES; but I will mention them here so you have them fresh in your mind as I go through my presentation.



CICAD

The Inter-American Drug Abuse Control Commission (CICAD) was established by a mandate from the OAS General Assembly in 1986.

MISSION

To enhance human and institutional capacities and channel the collective energy of its member states to reduce the production, trafficking and use and abuse of drugs in the Americas



Our Main Objectives

- To serve as **the Western Hemisphere's policy forum** on all aspects of the drug problem;
- To foster **multilateral cooperation** on drug issues in the Americas;
- To execute action **programs to strengthen the capacity of its member states** to prevent and treat drug abuse; and to combat drug production, trafficking, and money laundering;
- To promote **drug-related research, information exchange, and specialized training**;



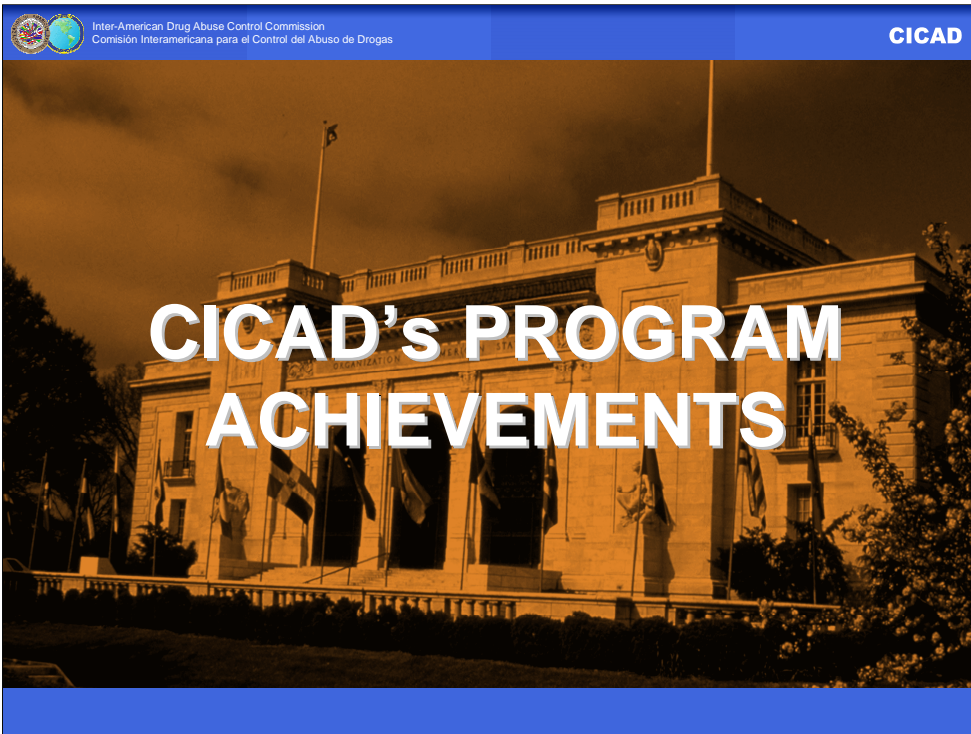
Our Main Objectives

- To develop and recommend **standards** to member states such as:
 - model legislation;
 - uniform methodologies to measure drug use;
 - standards for drug treatment;
 - control measures for pharmaceutical products and precursor chemical products that can be used to produce illicit drugs
- To carry out **regular multilateral evaluations of progress** by member states in all aspects of the drug problem (MEM).

(AFTER MAIN OBJECTIVES)...

Although we still have far to go, I think you will agree that our CICAD has made important strides toward fulfilling its objectives. I also think that all our CICAD member states have benefitted from CICAD's regional or country specific programs, from the MEM, and from CICAD's usefulness as a forum to promote hemispheric dialogue, standards, evaluation and action on the hemispheric challenge of drug production, trafficking, prevention and treatment.

-- We in the Secretariat are proud of CICAD's role. We also are proud of CICAD's programs, which we believe are of high quality, respond directly to the expressed needs of our member states, and have helped strengthen their institutional and human capacity to confront drug trafficking and drug abuse and deny the drug traffickers the fruits of their illegal and profoundly harmful activity.



-- I would like to give you some examples of CICAD's program achievements which cover a broad spectrum of the drug problem:



CICAD PROGRAM ACHIEVEMENTS

- Development of **national drug policies and plans**; (25 countries over past 5 years);
- Drafting of **drug legislation**;
- Training for **national drug institutions**;
- Creation of **standardized methodologies to measure drug use** among different population groups. Studies conducted in:
 - secondary school population: 24 countries
 - household population: 16 countries
 - emergency rooms and treatment centers: 12 countries
- **Two comparative sub-regional drug use studies** with UNODC (2006 – 2008);



CICAD PROGRAM ACHIEVEMENTS (cont.)

- Projects to strengthen **national drug information systems** (7 countries);
- **Best Practices Manual for the National Drug Observatories** in conjunction with the **EMCDDA** (under development);
- **Methodology to estimate cost of drugs to society.** (Cost studies completed in 8 countries);
- **Network of Latin American drug researchers** (REDLA);
- **Grants to young scholars** to conduct population studies on drug issues (35 to date).
- English language **on-line certificate program in substance abuse prevention & treatment** at UWI, now in its second year (approx. 40 students/year);



CICAD PROGRAM ACHIEVEMENTS (cont.)

- **EU-LAC city partnerships on drug treatment** (20 LAC cities confirmed as participating);
- **Drug Research training** (300 health related professionals);
- Development of **hemispheric guidelines on school and workplace prevention**, & on the evaluation of prevention programs for youth.
- **Coordination of technical (horizontal) cooperation** among member states;
- **Decentralization** of drug demand reduction policies to the provincial and municipal levels (6 countries);
- **School-based drug abuse prevention programs** operating with LCIF (6 countries);



CICAD PROGRAM ACHIEVEMENTS (cont.)

- **Development of national treatment systems** (in preparation 20 countries) includes:
 - Integration of treatment services into the national health system.
 - Definition of responsibilities for the provision of treatment services.
 - Standardized treatment protocols;
- **Training and certification** (350 drug treatment counselors in 2 countries of Central America)
- **Introduction of drug-related topics in curricula** (in more than 50 Schools of Nursing, Public Health, Education and Medicine);
 - 37,000 nursing students have graduated.

More than 37,000 nursing students have graduated from, or are currently enrolled in, schools with drug-related curricular content.



CICAD PROGRAM ACHIEVEMENTS (cont.)

- **Promotion of sustainable cacao and tree crop development** as alternative to illicit crops (ACCESO Program)(3,500 farmers trained);
- Study to **assess the impact on human health and the environment** of aerial spraying with Glyphosate; (publication in early 2009)
- Promotion of **maritime cooperation** against drug smuggling, and **training of port security personnel** (400 trained in past two years);
- Establishment of **systems to control chemicals** used in manufacturing of illicit drugs and implementation of related legislation;
- **Drug intelligence school** in Lima (ERCAIAD) (400 officers trained in past two years);

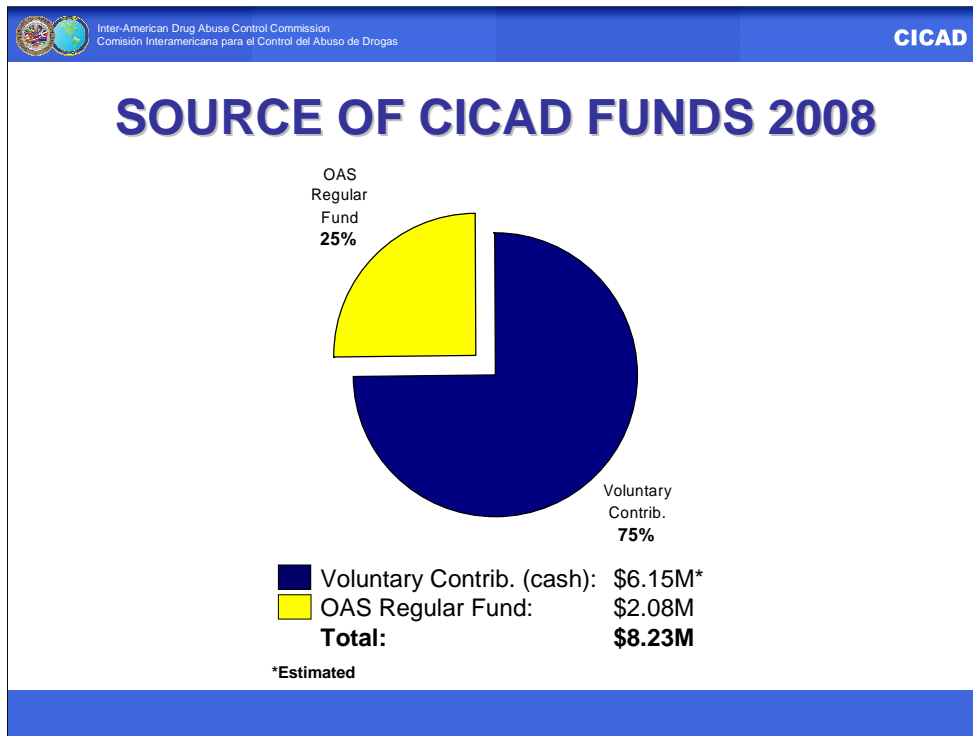


CICAD PROGRAM ACHIEVEMENTS (cont.)

- **Training of judges, prosecutors and investigators to deal with money laundering cases:** Over 500 from 14 countries trained.
- **16 Financial Intelligence Units (FIUs)** supported.
- **Mock trials and mock investigations (with UNODC) in money laundering** (over 570 judges, prosecutors, investigators and FIU analysts from 12 countries);
- **Model legislation** developed.
- **Multilateral Evaluation Mechanism (MEM):** (Over 325 recommendations implemented by member states to date).
- **Commission meetings** (twice a year).

We already have sentences in Money Laundering cases that expressly mention CICAD money laundering products as the basis for these decisions.

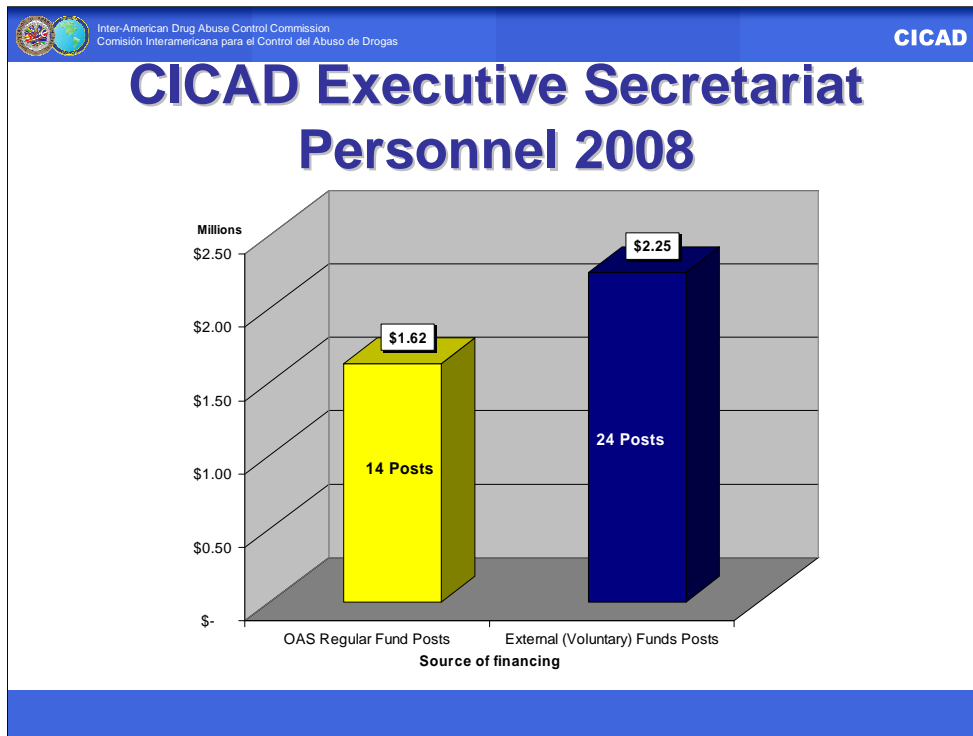
CICAD Expert Groups have developed model legislation, regulations, standards and operating manuals in the area of Demand Reduction, Money Laundering, Maritime Narcotrafficking, Precursor Chemicals and Pharmaceuticals and Alternative Development.



To accomplish all this, the Executive Secretariat has two sources of funding.

1. The first and smallest source is the OAS Regular Fund. The Regular Fund contribution is the assignment by the OAS General Assembly to ES/CICAD of a very small portion of the yearly quotas that member states pay to sustain the OAS. The Regular Fund contribution covers about 25% of ES/CICAD's expenses.

2. By far the largest source of funds for CICAD are those voluntary cash contributions made to ES/CICAD by our member states, OAS Permanent Observers and other international and regional organizations. Together this group provides almost 75% of ES/CICAD's funding.



To put this point in better perspective, the OAS regular fund contribution to E/S CICAD pays the salaries of 14 members of the Secretariat's current 38 full time staff. It also covers the cost of holding of 2 GEG meetings per year, and the funds required to hold just one of CICAD's two statutory meetings per year. That is it.

In addition, the OAS Regular Fund itself is under siege: anticipated receipts from member states' quotas payments to the Regular Fund will not be sufficient to cover overall OAS anticipated costs in 2010.



Contributions vs. Expenditures 2008

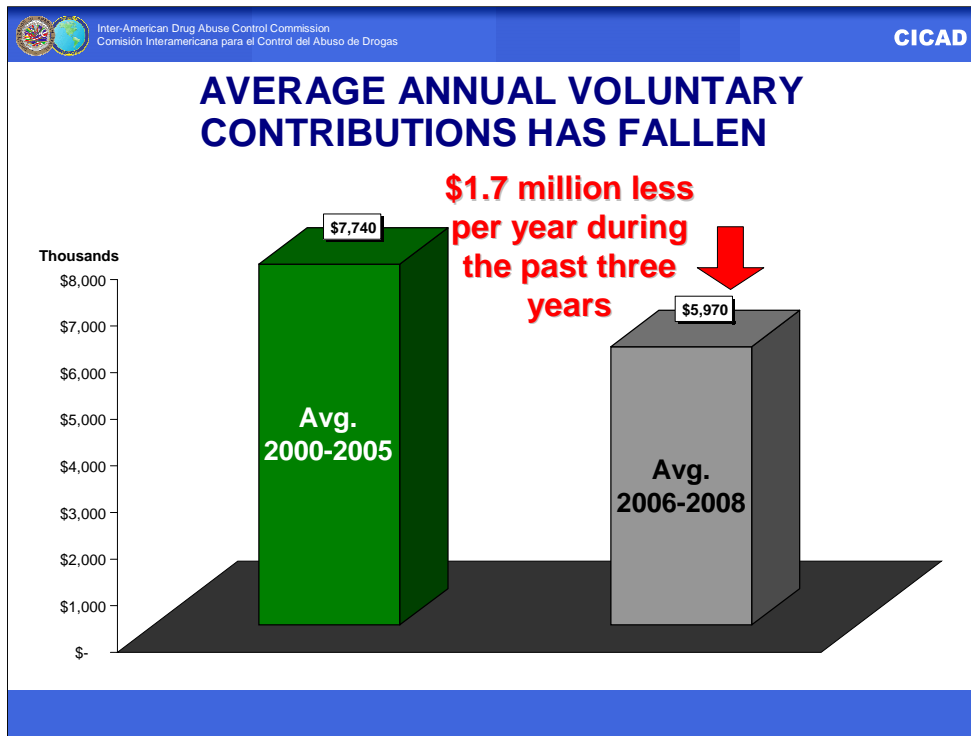
Estimated cash expenditures:

\$8.7 million

Estimated cash contributions (all
sources):

\$8.2 million

The cost of all of the Executive Secretariat's remaining programs, including training and staff, is financed by voluntary contributions (called external fund contributions) from member states, Permanent Observers and other international and regional organizations. Put another way, without these voluntary contributions, the Executive Secretariat could provide almost no services to member states. The Commission could hold one meeting a year and the GEG could meet 2 times. With the exception of some support for the MEM and one of two yearly Commission meetings, there would be no funds for any of the programs I listed at the beginning of my presentation; no funds for technical assistance; no funds for capacity building or expert groups.



While our spending has remained fairly level over the last few years in constant dollars (Between 8.2 – 8.7 million) – that is to say without taking into consideration inflation-- our voluntary contributions, our largest source of funds, have declined significantly.

In 2005, CICAD’s largest donor informed the Executive Secretariat to prepare for significantly reduced contributions for the foreseeable future. The result is that over the past 3 years, the average annual voluntary contributions to the Executive Secretariat was \$1.7 million less than the average annual voluntary contributions of the previous 5 years.



CICAD RESPONSE

- Aggressive fundraising;
- Strategic alliances;
- Regionally focused programs;
- Horizontal technical cooperation;
- Increased national matching funds;
- Staff reduction and other cost cutting;
- Competing for contracts;
- Strengthening internal technical capacity;
- Changing perceptions about what we are and what we do.

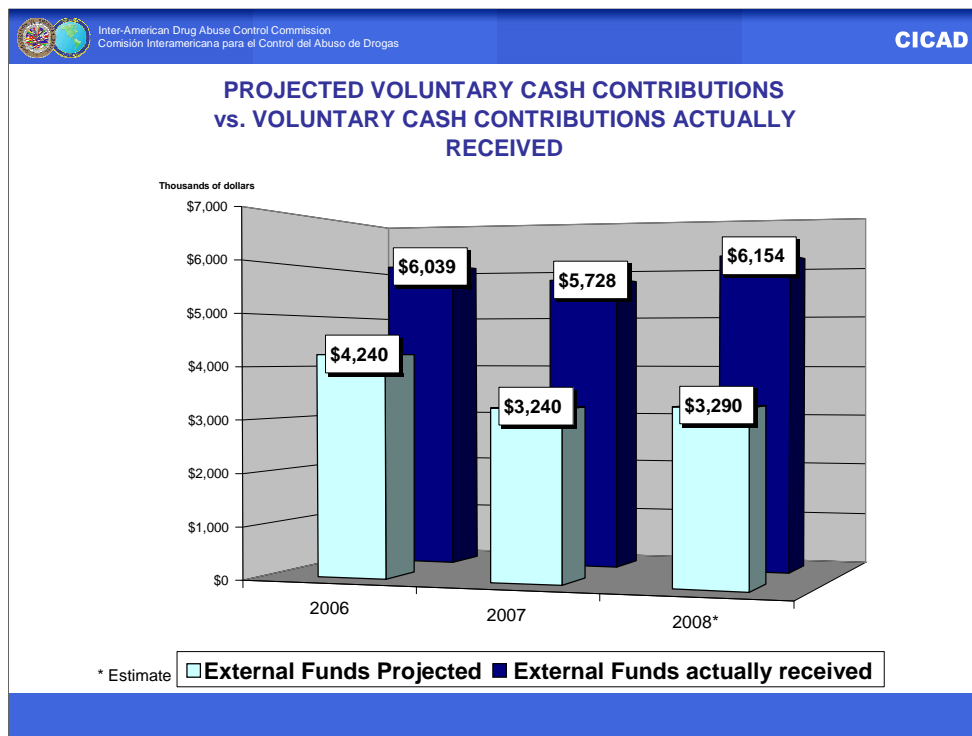
Some of you will recall that in late 2005, I informed CICAD member states that if by 2008 a combination of alternate funding sources and cost savings were not identified, the Executive Secretariat would no longer be able to execute the full scope of programs mandated by the OAS General Assembly and the (CICAD) Commission.

CICAD Response: To postpone the looming financial crisis, and in the hope that funding from our largest donor eventually would return to its historic levels, the Executive Secretariat implemented a survival strategy that included the following specific measures:

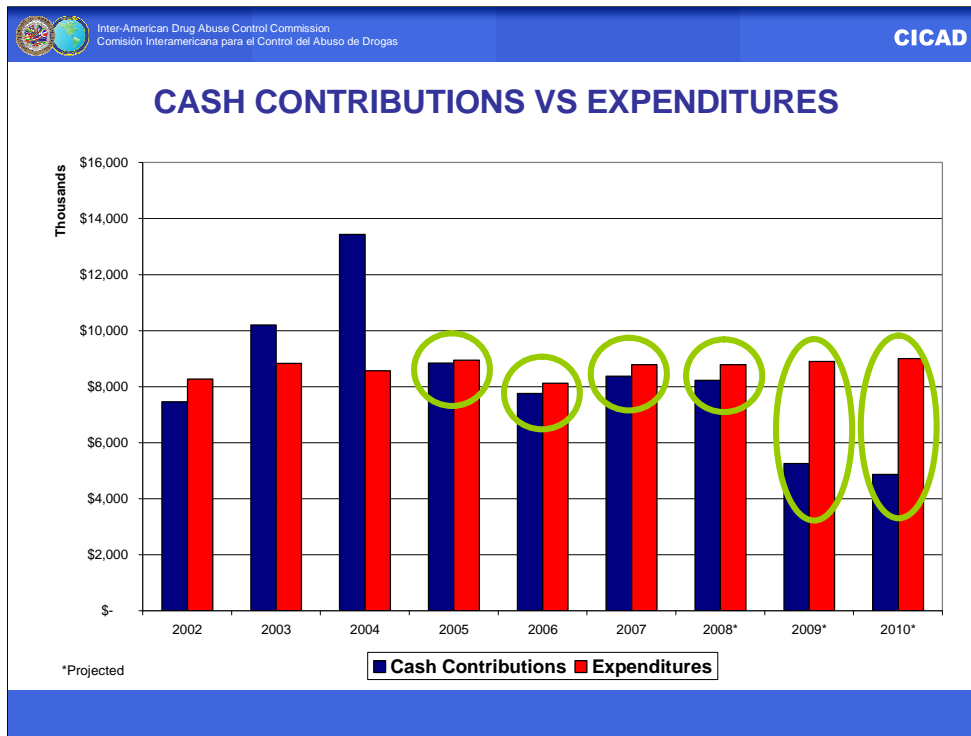
- Developing an aggressive campaign to *identify and tap alternative sources of funding*;
- Encouraging the financing and development of *regionally focused programs* rather than programs for specific countries;
- Encouraging an increase of *horizontal technical cooperation* among member states coordinated by E/S CICAD ;

- **Developing *strategic alliances with other international organizations (UNODC, EMCDDA, LCIF) and national research organizations (CAMH, NIDA)***
- **Requesting that the member state beneficiaries of CICAD projects *increase their matching funds and contributions in kind;***
- **Reducing staff and initiating other *measures to hold down or cut costs.***
- **Competing to win contracts financed by other agencies to carry out projects within our area of interest.**
- **Strengthening the technical capacity of the Executive Secretariat staff itself to be able to handle more technical assistance requests from member states in house and to rely less on outside consultants;**
- **And in general, changing both the perception and reality that the Executive Secretariat is now more a technical assistance agency than a funding agency.**

These efforts have produced positive results. The drop in the Executive Secretariat's overall revenue stream has, in fact, been less severe than we had projected back in 2005. Some new donors and some more generous existing donors have stepped forward. We have forged new and productive cooperative relationships with other international organizations. We are phasing out, or turning over to other agencies, some programs for which we no longer have direct donors.



This chart compares a projection that the Executive Secretariat made back in 2005 of the voluntary contributions we thought we would be receiving in the years 2006, 2007 and 2008 with the higher amount that we actually ended up receiving during those three years.



However, the fact remains that taken together, all these measures have not proven sufficient to compensate for the drop in the average annual voluntary contributions to CICAD. Therefore, *while the day of financial reckoning was postponed by a year or so, the fundamental problem remains.*

Since 2006, the E/S CICAD's annual cash expenditures have exceeded its annual cash contributions. And this trend is likely to accelerate unless our donors increase their voluntary cash contributions. The Executive Secretariat has been able to execute projects at previous levels by all the means noted above and by tapping into funds deliberately unexpended in earlier years.

This cannot continue much longer because CICAD has no means to borrow or operate on credit. In fact, a few days ago I had the very painful and unpleasant task of informing 3 more very good members of the Secretariat staff that I could not renew their contracts in 2009. That is in addition to the 4 posts we had previously lost over the past 18 months either through attrition or by not renewing the contracts.

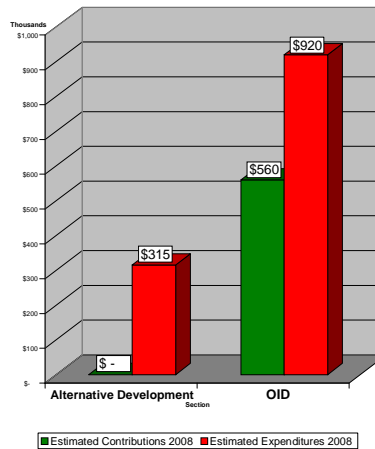


Why CICAD needs some non-earmarked voluntary contributions

Earmarked contributions:

- Do not cover all priorities or unforeseen needs.
- Often leave out under funded sections whose work is important to the performance of other sections.
- Often overlook MEM assistance projects.
- Do not always allow flexibility to include countries other than those specifically designated in an earmarked contribution.

ESTIMATED CONTRIBUTIONS & EXPENDITURES 2008



The problem of earmarking: Complicating E/S CICAD's financial situation has been the tendency of many of our donors to *earmark* (etiquetar or ventear) almost all of their voluntary contributions to support specific programs, albeit worthy ones, mostly in CICAD's Demand Reduction, Supply Reduction and Anti-Money Laundering and MEM sections. Due to this earmarking, several key CICAD areas not favored with donor support will run out of funds in 2009. This includes CICAD's Inter-American Observatory on Drugs (OID), which is the section charged *inter alia* with developing and implementing scientific, standardized and comparable *drug use surveys* in our member states and compiling and analyzing other drug-related data. OID provides the essential eyes and ears for the member states.

Without access to the credible statistical information on drug supply and demand developed by the OI, CICAD's Multilateral Evaluation Mechanism (MEM) will not be able to fulfill its mandate to measure the efficacy of and identify gaps in the drug programs of CICAD member states. Other CICAD sections would be deprived of important OI-generated statistical information and analysis on which they base and evaluate their projects, and member states would no longer be able to rely on technical assistance to develop their internal drug-related statistical and analytical capability necessary for evidence-based policy making.

The other underfunded section is the Alternative Development Section.



The bottom line

Day of reckoning
postponed **not**
avoided.

Increased CICAD
Member States
support crucial



Here is my bottom line: All our actions over the last 3 years to continue the Executive Secretariat's services at a level and quality our member states have come to expect have served to postpone but not avoid our day of reckoning.

And that day will sometime in 2009 for some sections and 2010 for others. This is because of the earmarking problem I described a few moments ago. In our current situation, by the start of 2010, we will not have sufficient funds on hand to guarantee continuation of our programming at anywhere near our current level.

And that is why recently I wrote each of our member states to urgently appeal for financial support. For those of our member states who are already contributing, I expressed my appreciation (and do so again here). I also asked them for a significantly larger contribution starting in 2009.

For those member states that have not been making voluntary contributions of late, I urged you to start doing so now.

I recognize that some member states are in a condition to offer more financial assistance to the E/S CICAD than others, but it is



a fact that our organization cannot continue to rely on the support from just a few donors. That is not healthy. That is not prudent. We need to broaden our base. And this is not a one year appeal. For CICAD to remain the vibrant, responsive, effective, and forward looking organization that all of us here want, all CICAD member states need to get into the habit of providing yearly contributions. With broad support, CICAD will thrive and maintain its ability to provide the high level of support that our members have come to expect.

-- Your political support is also urgently needed to advocate for increased funding for CICAD inside your own Government, whether with the responsible agency in the Executive Branch, or with Congress or Parliament, or both.

CICAD is your organization. If you believe, as I strongly do, that CICAD can continue to make a positive difference in our collective efforts to find solutions to the challenge of drug trafficking and drug addiction; if you believe, as I do, that the sum of the combined efforts of all our member states cooperating together is greater than the individual efforts of each state acting alone, this hemisphere needs a strong CICAD.

And Its future is in your hands.