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The *Report of the International Narcotics Control Board for 2001* (E/INCB/2001/1) is supplemented by the following technical reports:

Narcotic Drugs: Estimated World Requirements for 2002; Statistics for 2000 (E/INCB/2001/2)

Psychotropic Substances: Statistics for 2000; Assessments of Annual Medical and Scientific Requirements for Substances in Schedules II, III and IV (E/INCB/2001/3)

Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 2001 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (E/INCB/2001/4)

The updated lists of substances under international control, comprising narcotic drugs, psychotropic substances and substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances, are contained in the latest editions of the annexes to the statistical forms (“Yellow List”, “Green List” and “Red List”), which are also issued by the Board.

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Preface

The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,¹ article 12, paragraph 13, provides that the International Narcotics Control Board “shall report annually to the Commission on the implementation of this article and the Commission shall periodically review the adequacy and propriety of Tables I and II”.

In addition to its annual report and other technical publications (Narcotic Drugs and Psychotropic Substances), the Board has decided to publish its report on the implementation of article 12 of the 1988 Convention, in accordance with the following provisions contained in article 23 of that Convention.

“1. The Board shall prepare an annual report on its work containing an analysis of the information at its disposal and, in appropriate cases, an account of the explanations, if any, given by or required of Parties, together with any observations and recommendations which the Board desires to make. The Board may make such additional reports as it considers necessary. The reports shall be submitted to the Council through the Commission which may make such comments as it sees fit.

“2. The reports of the Board shall be communicated to the Parties and subsequently published by the Secretary-General. The Parties shall permit their unrestricted distribution.”

¹ *Official Records of the United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Vienna, 25 November-20 December 1988*, vol. I (United Nations publication, Sales No. E.94.XI.5).

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Explanatory notes

The following abbreviations have been used in this report:

| | |
|-------------|--|
| Interpol | International Criminal Police Organization |
| LSD | lysergic acid diethylamide |
| MDA | methylenedioxyamphetamine |
| MDMA | methylenedioxymethamphetamine |
| 3,4-MDP-2-P | 3,4-methylenedioxyphenyl-2-propanone |
| P-2-P | 1-phenyl-2-propanone |
| WHO | World Health Organization |

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Countries and areas are referred to by the names that were in official use at the time the relevant data were collected.

The maps in the present publication are intended to indicate the movement and seizures of the substances listed in the Tables of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. Owing to lack of space, names of countries, territories, cities or areas may not appear at their exact geographic location.

The boundaries shown on maps in this publication do not imply official endorsement or acceptance by the United Nations.

Summary

To prevent the diversion of precursor chemicals for use in the illicit manufacture of drugs, Governments require adequate legislation in line with the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 and effective working mechanisms, as well as information feedback procedures to be followed by the authorities involved with the control of precursor chemicals. In exercising its functions under the 1988 Convention, including the monitoring of treaty compliance by Governments, the International Narcotics Control Board, in its report on the implementation of article 12 of the Convention, examines the latest actions taken, drawing attention to both the successes achieved as well as shortcomings identified.

A. Treaty adherence and reporting by Governments

The number of States parties to the 1988 Convention now stands at 162, a number that has continued to grow steadily in recent years, and that includes almost all the major manufacturing, exporting and importing countries. While the rate of submission of annual information on substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances (Form D) for 2000 corresponds to that of previous years, the Board is concerned that a number of parties still do not furnish the required information. In particular, the Board notes that data on licit trade, which are used for the identification of unusual trade patterns and suspicious transactions, are not yet furnished by some major exporting and importing countries. The status of reporting by Governments is examined in detail in chapter II, section A.

Scope of control

On the recommendation of the Board, the Commission on Narcotic Drugs decided in March 2001 to transfer the substances acetic anhydride and potassium permanganate from Table II to Table I of the 1988 Convention. That decision became effective in December 2001, thus making it a treaty obligation to provide pre-export notifications for those substances to importing countries that request them. Such pre-export notifications continue to be one of the most effective means of rapidly verifying the legitimacy of individual transactions of controlled precursor chemicals. For further details, see chapter II, section B.

B. Prevention of diversion: findings and actions taken

For the control of precursor chemicals during 2001, the Board placed the highest priority on assisting Governments in the prevention of diversions from international trade. In doing so, the Board found that most manufacturing and exporting countries and trans-shipment points are now regularly providing pre-export notifications for precursor chemicals included in Table I of the 1988 Convention, as well as for some Table II substances. As a result, it has been possible to uncover a growing number of cases of diversion and attempted diversion of controlled chemicals, in particular within the framework of the two international

operations for monitoring, respectively, acetic anhydride and potassium permanganate.

Operation Purple, the international tracking programme for potassium permanganate launched in 2000, has continued to achieve successes in preventing diversions of that key chemical for the illicit manufacture of cocaine. With an increasing volume of exports to non-participating countries monitored in 2001, 17 shipments involving over 1,100 tons of potassium permanganate destined to illicit channels have already been stopped. That amount would, if diverted, be sufficient to manufacture over 5,500 tons of cocaine. A similar programme was launched in March 2001 for acetic anhydride, a critical chemical for the illicit manufacture of heroin. Named Operation Topaz, that tracking programme also has a law enforcement component for tracing back seized chemicals to their sources. During the first six months of Operation Topaz, 10 shipments involving about 170 tons of acetic anhydride were prevented from being diverted, and an additional 51 tons of the substance were seized by several States. Those amounts would, if used in illicit manufacture, be sufficient to manufacture over 55 tons of heroin. For both operations, the Board, through its secretariat, serves as the international focal point for the exchange of information. In carrying out that function, the Board has noted that the successes achieved were only made possible by the real-time exchange of information, including feedback to inquiries, by the authorities concerned. The current pre-export notification system and the two tracking programmes are described in detail in chapter II, section C.

In view of the need for concerted action against the continued diversion of precursors used in the illicit manufacture of amphetamine-type stimulants, the Board will organize an international meeting on such precursors in June 2002 to devise working mechanisms to prevent diversions of those substances into illicit traffic. For further details, see chapter II, section C.

C. Overview and analysis of illicit traffic

To enhance understanding of the methods and routes used by traffickers for diversions and attempted diversions, an overview and analysis of the trends observed in illicit traffic in precursors and other chemicals used in the illicit manufacture of drugs is presented in chapter III. The information supplied by Governments on, inter alia, seizures, stopped shipments and methods and routes of diversion, as well as from other sources including the international tracking operations and actual cases of diversion or attempted diversion, forms the basis of that analysis.

Over 40 Governments have reported seizures of 20 out of the 23 substances controlled under the 1988 Convention, as well as of a number of non-controlled substitutes. However, only a few Governments supplied supplementary information on those seizures. More comprehensive information is essential for the analysis and identification of trends.

The trends observed clearly show the international nature of the trafficking in precursor chemicals used in the illicit manufacture of drugs, with no region of the world having remained unaffected by diversions and attempted diversions. Traffickers have most recently been targeting countries in Asia and eastern Europe

when attempting to divert those chemicals, in particular, by using the names of established companies when placing orders. Successful actions, by both law enforcement and regulatory authorities, in some of the countries targeted have prevented diversions of large amounts of controlled chemicals. In many countries, further investigations must still be conducted into diversions or attempted diversions, with a view to identifying and prosecuting those responsible.

D. Annexes

To provide an overview of the implementation by Governments of the treaty requirements and the relevant resolution of the Economic and Social Council, annex I includes tables containing information presented as follows:

- (a) Status of adherence to the 1988 Convention (table 1);
- (b) Listing of Governments that submitted the required information during the period 1996-2000 (table 2);
- (c) Statistical information on seizures of precursor chemicals, showing where the different substances were seized, during the period 1996-2000 (tables 3a and 3b);
- (d) Submission of data on licit trade in, uses of and requirements for precursor chemicals in accordance with the relevant Economic and Social Council resolution (table 4).

In addition, to assist the competent authorities of exporting countries, a list of all Governments that have requested pre-export notifications for the substances included in Tables I and II of the 1988 Convention is presented in annex I, table 5.

It is important to be able to relate the seizures and stopped shipments of precursor chemicals to the drugs that they would have been used to manufacture. To that end, annex II contains information on the substances in Tables I and II and their typical use in the illicit manufacture of drugs, as well as the drug yields that could be obtained if the substances were used for such illicit manufacture. Information on the licit uses of the precursor chemicals is also included.

To assist competent authorities in ensuring that national legislation is in accordance with the treaty provisions, the relevant provisions of the 1988 Convention are included in annex III.

I. Introduction

1. In 2001, the International Narcotics Control Board, in its activities undertaken to control precursor chemicals, continued to place the highest priority on assisting Governments in preventing diversion of such substances into illicit traffic and in establishing adequate working mechanisms and procedures for that purpose.

2. To ensure that the controls are effective in preventing diversions from international trade and domestic channels, and that legitimate trade is not unduly hampered, it is essential to collect data on licit movements, both international and domestic. Without such data, it would not be possible to determine unusual trends. It is also essential to have working mechanisms and information feedback procedures to be applied by the competent authorities responsible for regulatory controls and by the law enforcement authorities that conduct the investigations. To that end, the practical actions proposed by the Board in its previous reports have stood the test of time and proven to be workable in preventing the diversion of precursor chemicals and at the same time avoiding undue delays in licit trade. Both regulatory and law enforcement authorities will wish to revisit those practical proposals for action which the Board has repeatedly made over the years. The present report examines how competent national authorities have effectively adopted such actions and draws the attention of those authorities to persistent shortcomings that must be overcome. In particular, there continues to be a relatively large number of States parties to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988¹ that do not yet comply with their treaty obligations to monitor the movement of precursors and provide information to the Board in a timely fashion.

3. The Board has also continued to give its full support to collective international efforts within the framework of its treaty mandates. Operation Purple, an intensive international tracking programme designed to prevent the diversion of *potassium permanganate*, a key chemical used in the illicit manufacture of cocaine, continues to function effectively in tracking individual shipments of that substance. Furthermore, another international tracking programme, Operation Topaz, was launched in 2001 to monitor shipments of *acetic anhydride*, a critical chemical used in the illicit

manufacture of heroin. Operation Topaz has another important component, namely law enforcement investigations designed to track the substance back to the sources of diversion from domestic distribution channels. Much progress has already been observed. A detailed account of the latest developments under those international operations is provided in the present report.

4. In addition to acetic anhydride and potassium permanganate, which have now been transferred from Table II to Table I of the 1988 Convention, the Board has uncovered major new developments in attempts to divert other controlled chemicals used in the illicit manufacture of cocaine and heroin. It has also begun to scrutinize further the situation relating to precursors for amphetamine-type stimulants, including methylenedioxymethamphetamine (MDMA) (Ecstasy) and its analogues. It intends to launch major international activities to help take effective action to control those precursors.

5. The Board continues to stand ready, within its treaty functions, to assist competent national authorities in fully applying the provisions of article 12 of the 1988 Convention and effectively preventing the diversion of substances listed in Tables I and II of the Convention into the illicit manufacture of drugs.

II. Framework for precursor control and action taken by Governments

A. Status of adherence to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 and reporting by Governments under article 12

1. Status of the 1988 Convention

6. As of 1 November 2001, the 1988 Convention had been ratified, acceded to or approved by a total of 162 States, and formally confirmed by the European Community (extent of competence: article 12). That represents 85 per cent of all countries in the world. Five States (Albania, Central African Republic, Djibouti, Kuwait and Mauritius) have become parties to the Convention since the last report of the Board on