

special session of the General Assembly. The Board has participated in and contributed substantively to the meetings of five open-ended intergovernmental expert working groups. In particular, the Board has provided those working groups with discussion notes on the following five topics: (a) supply reduction (see annex I); (b) countering money-laundering and promoting judicial cooperation (see annex II); (c) international cooperation on the eradication of illicit drug crops and on alternative development (see annex III); (d) drug demand reduction (see annex IV); and (e) control of precursors and amphetamine-type stimulants (see annex V). Those discussion notes summarize the Board's positions on the respective issues.

III. Achievements

12. In its resolution S-20/4 B, the General Assembly identified action to be taken by Governments in various areas, including with regard to measures to prevent the trafficking in and the illicit manufacture, distribution, diversion and abuse of ATS and their precursors; international cooperation in precursor control; and the control of substitute chemicals. The Board, bearing in mind its mandate under the international drug control treaties, has worked closely with Governments to prevent the diversion of licitly manufactured psychotropic substances, including ATS, and their precursors into illicit channels and has further strengthened international cooperation in precursor control. The achievements presented in this section truly reflect Governments' efforts and progress made in the implementation of the resolutions adopted by the Assembly at its twentieth special session.

A. Addressing the problem of amphetamine-type stimulants

13. The abuse of ATS, which was a relatively new phenomenon in many countries in 1998, was one of the main topics addressed by the General Assembly at its twentieth special session, as it was deemed to be a problem requiring concerted and urgent action by individual Governments and the international community as a whole. In the Action Plan against Illicit Manufacture, Trafficking and Abuse of Amphetamine-type Stimulants and Their Precursors, the following actions were identified as important: raising awareness, reducing demand, providing accurate information, limiting supply and strengthening the control system.

14. In response to the request made by the General Assembly for work on ATS to continue, the Board has collected and analysed information on the abuse of ATS, disseminated such information through its annual reports and approached Governments when remedial action has been necessary.

1. Preventing the diversion of amphetamine-type stimulants from international trade

15. ATS are controlled under the 1971 Convention. Schedules I and II of the 1971 Convention contain the psychotropic substances that are most likely to be abused. Stringent control measures are applied to those substances, including a mandatory import and export authorization system for international trade in those substances. The control measures for substances in Schedules I and II have

effectively prevented the diversion of those substances. However, as similar control systems were not put in place for substances in Schedules III and IV, those substances continued to be diverted from licit international trade in the 1980s, even after the adoption of the 1971 Convention.

16. In order to prevent substances in Schedules III and IV of the 1971 Convention, including ATS, from being diverted, the Board has continued to encourage Governments to implement additional control measures, such as an import and export authorization system and a system for assessing annual requirements throughout the decade following the twentieth special session of the General Assembly.

17. Pursuant to the recommendations of the Board and the relevant resolutions of the Economic and Social Council, most Governments have voluntarily extended the scope of the system of import and export authorizations to include substances in Schedules III and IV of the 1971 Convention. Since 1998, 25 additional Governments have established an import and export authorization system for all substances in Schedules III and IV. As at 1 November 2007, some 160 countries had legislation requiring import and export authorizations for all substances in Schedules III and IV. The Board urges all Governments to apply the system of import and export authorizations to all psychotropic substances in Schedules III and IV, in accordance with the relevant resolutions of the Council.

18. Progress has also been made in the implementation of a system for assessing psychotropic substances. Since 1998, 23 Governments have, for the first time, established assessments for psychotropic substances. In addition, nine Governments which had previously provided assessments for a limited number of psychotropic substances have established assessments for all scheduled psychotropic substances. Since 1 November 2008, assessments of the legitimate requirements of all countries and territories for psychotropic substances in Schedules III and IV of the 1971 Convention have been made available.

19. The establishment of both a system of import and export authorization and a system of assessments has enabled Governments to increasingly prevent the diversion of ATS from licit international trade. Almost all attempted diversions of ATS from international trade have been discovered, and the few diversion attempts that have been successful have involved only minor quantities of ATS.

2. Measures to prevent the diversion of amphetamine-type stimulants from domestic distribution channels

20. The Board has also taken action to assist Governments in preventing the diversion of licitly manufactured drugs from domestic distribution channels. In that context, the Board has closely monitored global consumption of ATS with a view to identifying unusually high levels of such consumption. In its annual report for 2000,⁴ the Board underlined that overmedication and abuse might be behind the high consumption levels of psychotropic substances in Europe and the Americas. The Board raised the issue with the Governments concerned; the measures taken by

⁴ *Report of the International Narcotics Control Board for 2000* (United Nations publication, Sales No. E.01.XI.1), chap. I.

some of the most affected countries, including educational campaigns for the medical and pharmaceutical professions, have yielded positive results.

21. Furthermore, in accordance with article 10 of the 1971 Convention, which requires parties to prohibit the advertising of psychotropic substances to the general public, the Board raised the issue of manufacturers of ATS publicly promoting the use of their products. In 2005, the Board welcomed the decision by one Government to ban the direct-to-consumer advertising of prescription drugs, including medicines containing controlled substances. That decision, which was based on the advice of health-care professionals and consumer groups, showed that progress could be made in that area, constitutional constraints notwithstanding. The Board urges Governments concerned to take necessary steps to ensure that article 10 of the 1971 Convention is adequately implemented.

22. Based on the responses to the 2007 survey of the Board on the implementation of the international drug control treaties (see paragraph 10 above), most countries have strengthened national legislation on the control of ATS and their precursor chemicals. Some countries have also adopted comprehensive measures to deal with ATS abuse through demand reduction programmes.

23. Despite the progress that has been made, significant challenges remain in ensuring the adequate control of ATS. Reports on seizures and abuse of psychotropic substances, submitted by various countries since 1998, have indicated that the diversion of pharmaceutical preparations containing controlled substances, including ATS, from licit domestic distribution channels is becoming an increasingly significant source for illicit drug suppliers. Some national authorities and large segments of the population continue to be unaware of the dangers of ATS abuse, including pharmaceutical preparations. Inappropriate promotion and prescription continue, facilitating the excessive availability of ATS on licit markets, which may lead to diversion and abuse. In some countries, law enforcement authorities or the judiciary are not able to sanction illicit activities involving ATS. In particular, the sale of preparations containing controlled substances, including ATS, through the Internet poses new threats that must be dealt with by concerted measures at the national and international levels.

24. In addition, new substances that are currently not under international or national control and that can therefore be easily obtained from licit distribution channels or trafficked without fear of sanctions are emerging as substances of abuse. Examples of such substances include piperazine-derived compounds and designer drugs created by slightly changing the molecular structure of ATS under international control. The Internet is being used for sharing information on those substances and for trafficking in those substances.

3. Internet

25. In the Action Plan against Illicit Manufacture, Trafficking and Abuse of Amphetamine-type Stimulants and Their Precursors, the General Assembly recognized that the use of the Internet presented new opportunities and challenges in addressing drug abuse. The Board has placed the issue of the illicit drug trade through the Internet high on its agenda and has presented an in-depth analysis of the

issue in the *Report of the International Narcotics Control Board for 2001*,⁵ as well as in its reports for 2004,⁶ 2005⁷ and 2006.⁸ The Board organized two expert group meetings on the illicit sale of controlled drugs through the Internet and the smuggling of such drugs by mail. As a direct result of those meetings, in July 2005, the Board requested all Governments to identify focal points for activities on illegally operating Internet pharmacies. The Board also collected data from Governments on national legislation related to Internet services and websites, national cooperation mechanisms and practical experience in the control and investigation of illegal Internet pharmacies. That information showed that only a limited number of States had adopted specific legal measures to prevent such misuse of the Internet. The Board calls on Governments to take steps to adopt new legislation to counteract this form of illicit trade. Governments are invited to fully cooperate with other Governments in investigations and to increase the awareness of law enforcement, regulatory and drug control authorities regarding the need to take action against illegally operating Internet pharmacies.

26. In order to assist national authorities in formulating national legislation and policies in that area, the Board decided to develop guidelines on matters related to Internet pharmacies. The *Guidelines for Governments on Preventing the Illegal Sale of Internationally Controlled Substances through the Internet*⁹ include recommendations for actions to be taken at the national and international levels, addressing legislative and regulatory provisions, general measures and national and international cooperation. The guidelines reflect the experience accumulated by the Board over the past five years and information provided by experts and gathered through communications with Governments and international organizations knowledgeable in the field.

B. Control of precursors

1. Measures to prevent the illicit manufacture, import, export, trafficking and distribution of precursors used in the illicit manufacture of narcotic drugs and psychotropic substances

(a) Legislation and national control systems

27. In the Political Declaration adopted by the General Assembly at its twentieth special session (resolution S-20/2, annex), the Assembly urged Governments to adopt and implement the national laws and regulations necessary for complying with article 12 of the 1988 Convention. An increased number of States and territories have adopted legislation on precursor control, bringing the total to 80 on 1 November 2008. However, some of those Governments have still not implemented measures to criminalize the unlawful conduct of individuals and companies in

⁵ United Nations publication, Sales No. E.02.XI.1.

⁶ *Report of the International Narcotics Control Board for 2004* (United Nations publication, Sales No. E.05.XI.1).

⁷ *Report of the International Narcotics Control Board for 2005* (United Nations publication, Sales No. E.06.XI.2).

⁸ *Report of the International Narcotics Control Board for 2006* (United Nations publication, Sales No. E.07.XI.11).

⁹ To be subsequently issued as a United Nations publication.

connection with the diversion of precursors. The Board urges all Governments, in accordance with the Political Declaration, to report to the Board, in a regular and timely manner, on the adoption of, or changes to, national regulations to control precursors.

(b) Information exchange

28. Acting on recommendations of the Board contained in its yearly reports on the implementation of article 12 of the 1988 Convention, Governments have achieved considerable results in establishing and improving mechanisms and procedures for monitoring trade in precursors, thus fulfilling one of the important aims of the Political Declaration. For example, the Governments of 74 countries have requested pre-export notifications in accordance with article 12 of the 1988 Convention.

Pre-export notifications

29. Pre-export notifications remain the most effective means of rapidly verifying the legitimacy of individual transactions. Both the number of Governments that regularly send pre-export notifications and the number of Governments that have formally requested to receive pre-export notices pursuant to article 12, paragraph 10 (a), of the 1988 Convention have increased. As at 1 November 2008, 45 countries and two territories had invoked that provision, thus making the sending of such pre-export notifications mandatory. Combined with the 27 States members of the European Union, a total of 74 Governments have made use of that provision (compared with 7 Governments in 1998). As a result, it has been possible to verify the legitimacy of individual transactions on a real-time basis and to identify and stop numerous suspicious shipments, thus preventing the diversion of controlled chemicals into illicit channels.

30. In March 2006, the Board launched Pre-Export Notification Online (PEN Online), an automated online system for the exchange of pre-export notifications. As at 1 November 2008, 96 States and territories, including most major exporting countries, had access to PEN Online. Since the introduction of the system, over 16,000 pre-export notifications have been sent to a total of 169 States and territories using PEN Online. PEN Online has served as the main channel of communication for the quick exchange of information on shipments, helping to prevent diversion or attempted diversion of precursor chemicals and leading to stopped or suspended shipments in international trade.

31. In addition, the PEN Online system has reduced unnecessary delays in legitimate trade, because importing countries can use it to provide timely responses to exporting authorities on the legitimacy of the transaction. Because the system represents a major development in the exchange of information through pre-export notifications, the Board urges the Governments of all importing and exporting countries that have not yet done so to register with and utilize PEN Online.

Annual legitimate requirements for substances frequently used in the manufacture of amphetamine-type stimulants

32. An important element of the Political Declaration was the implementation, by national authorities, of mechanisms to verify the legitimacy of transactions before they take place, including the exchange of information on the legitimate domestic

need for the chemical. The Board is pleased to note the significant progress made in that regard. In its resolution 49/3, entitled “Strengthening systems for the control of precursor chemicals used in the manufacture of synthetic drugs”, the Commission on Narcotic Drugs requested Member States to provide to the Board with annual estimates of their legitimate requirements for 3,4 methylenedioxyphenyl-2-propanone (3,4-MDP-2-P), pseudoephedrine, ephedrine and 1-phenyl-2-propanone (P-2-P) and, to the extent possible, estimated requirements for imports of preparations containing those substances that could be easily used or recovered by readily applicable means. Accordingly, a total of 80 States and territories submitted such estimates, for the first time, in 2006. And in 2008, a total of 110 States and territories submitted estimates. The information received from Governments on the legitimate requirements for precursor chemicals is published annually by the Board in its technical report on the implementation of article 12 of the 1988 Convention, and updated information is posted regularly on its website (<http://www.incb.org>).

33. The precursor estimates are a useful and practical tool in the overall framework for precursor control. The estimates provide the competent authorities of exporting countries with basic information regarding the legitimate requirements of importing countries, thus preventing diversion attempts. The Board encourages all Governments to submit the requested information on their estimated annual legitimate requirements, to regularly review their requirements and to inform the Board of any amendments.

(c) Data collection

34. In accordance with the resolutions adopted by the General Assembly at its twentieth special session, the Board has established mechanisms for obtaining and sharing data on the licit movement and uses of scheduled precursor chemicals. The provision of such data is voluntary and is intended to assist Governments in identifying suspicious transactions. The availability of information on licit uses also facilitates licit trade, because it expedites the issuance of import and export authorizations.

35. A total of 96 Governments submitted data for 2007 on the licit movement of precursors, and 81 Governments furnished information on the licit uses of and legitimate requirements for such substances. The majority of States and territories submitting reports to the Board are currently able to provide data on the licit movement of at least some precursor chemicals.

2. Towards more universal cooperation in precursor control

36. Pursuant to General Assembly resolution S-20/4 B, States should institutionalize procedures to facilitate the exchange of information on suspicious transactions, promote multilateral arrangements for the exchange of essential information for the monitoring of international trade in precursors and disseminate more systematic information on the ways and means used by criminal organizations for trafficking in and diverting precursors. Over the past 10 years, the initiatives of the Board in that regard have led to significant results, as described below.

(a) **International initiatives for precursor control**

37. The Board has assisted in launching several international initiatives against the diversion of chemicals: Operation Purple (1999-2005), Operation Topaz (2001-2005), Project Prism (since 2002) and Project Cohesion (since 2005). Those initiatives have led to a significant increase in the number of cases in which attempts to divert precursors from international trade into illicit channels were identified and prevented.

Operation Purple and Operation Topaz

38. Operation Purple, which started in 1999, utilized an intensive international programme for tracking individual shipments in international trade in order to prevent diversions of potassium permanganate, an important chemical used in the illicit manufacture of cocaine. Operation Topaz, launched in 2001, targeted acetic anhydride, a key chemical in illicit heroin manufacture, focusing not only on the international tracking of licit shipments, but also on backtracking investigations carried out by law enforcement authorities starting at the point of seizure or some other point of interception of the smuggled substance.

39. Through the activities carried out under those international initiatives, information has been made available on the patterns, diversity and extent of licit international trade in those precursor chemicals that otherwise would not have been known. Through the information exchange networks that have been established, attempts to divert those substances into illicit channels are being uncovered and diversions are being prevented. Through backtracking investigations, which start with seizures or other interceptions, it is becoming possible to locate and uncover the missing links between the diversion of precursor chemicals from international and domestic licit channels and the smuggling of those substances to areas of illicit drug manufacture.

40. In 2000, global seizures of acetic anhydride totalled 87 tons. In 2001, the first year of Operation Topaz, global seizures of the substance almost doubled, amounting to 169 tons. Those seizures then gradually declined, reaching 21 tons in 2005. The low number of suspicious shipments identified in international trade is an indication that controls over the international movement of the substance have been effective and that traffickers have found ways to divert the substance at the domestic level. It is believed, for example, that acetic anhydride is mainly diverted from domestic distribution channels. The Board therefore urges Governments to strengthen controls over the movement of chemicals within their territory.

41. In 2006, the Board conducted an evaluation of the achievements of those international initiatives and concluded that successes had been achieved. At the combined meeting of the steering committees of Operation Purple and Operation Topaz, it was decided to launch a new phase of the combined operations, called Project Cohesion.

Project Cohesion

42. Project Cohesion is a global initiative aimed at assisting countries in addressing the diversion of acetic anhydride and potassium permanganate by providing a platform for launching time-bound regional operations. The project focuses on time-limited regional activities and provides for the exchange of

real-time information, backtracking investigations and regular evaluation of activities. Thus, investigations into seizures and stopped shipments can be coordinated and licit trade can be monitored. The Project Cohesion Task Force directs the project, in which authorities from 82 countries and areas are currently participating. Since 2007, concerted efforts by Governments have brought about results in preventing the diversion of and trafficking in acetic anhydride and other substances used in the illicit manufacture of heroin.

43. The Board will continue to urge members of the Project Cohesion Task Force to consider launching necessary activities in other regions. In particular, given the large seizures of potassium permanganate currently being reported, the Board encourages authorities in the Americas to devise strategies to address the trafficking in that substance. The Board stands ready to assist such activities within the scope of its treaty mandates.

44. With the success achieved in the monitoring of international trade in scheduled chemicals, diversion from domestic distribution channels and smuggling across borders have become common methods of obtaining precursor chemicals for use in clandestine laboratories. Therefore, the Board urges Governments to adequately monitor the licit manufacture and distribution of chemicals used in the illicit manufacture of drugs, in accordance with article 12, paragraph 8, of the 1988 Convention.

Project Prism

45. Project Prism focuses on the five main precursors used in the illicit manufacture of ATS. The members of the Project Prism Task Force represent the major geographical regions (Australia, China, the Netherlands, South Africa and the United States of America) and competent international bodies (the European Commission, the International Criminal Police Organization (INTERPOL) and the World Customs Organization). Under the project, a total of 126 countries have established authorities responsible for the collection and dissemination of information related to the diversion of precursors and suspicious shipments at the national and international levels and for the coordination of activities carried out as part of the project. The Board, through its secretariat, serves as focal point for the exchange of information, such as alerts on trends in diversion. The activities of Project Prism have assisted Governments and the Board in identifying and addressing new trends, such as the diversion of precursors from Africa, Central America, South Asia and West Asia, shipments of ephedra from East Asia to the Americas and Europe and the smuggling of pharmaceutical preparations into and within Africa, Central America, South America and West Asia.

46. In 2007, the Project Prism Task Force launched Operation Crystal Flow, which targeted the licit trade in ephedrine, pseudoephedrine and ephedra shipments destined for Africa, the Americas and West Asia. The operation took place from 1 January to 30 June 2007, was supported by 65 countries and made use of pre-export notifications for ephedrine, pseudoephedrine and ephedra, as well as pharmaceutical preparations containing those substances, sent through PEN Online.

47. Importing and exporting countries participating in Operation Crystal Flow brought to the attention of the Board shipments totalling over 120 tons (17,800 kg of ephedrine and 103,595 kg of pseudoephedrine) suspected of being destined for

the illicit manufacture of methamphetamine. During the operation, participating countries verified the legitimacy of importers and end-users and identified suspicious transactions. When evidence of such suspicious transactions was found, data were provided to the Task Force members in the region concerned with the aim of launching backtracking investigations into seizures and stopped shipments. Wherever possible, controlled deliveries were organized. The secretariat of the Board served as the global focal point for the exchange of information. The monitoring of 1,400 individual shipments of ephedrine and pseudoephedrine led to the identification of 35 suspicious transactions and prevented the diversion of a total of 52 tons of those substances, a quantity sufficient to manufacture 48 tons of methamphetamine (9.6 billion doses).

48. Activities carried out as part of Project Prism provided evidence that traffickers are attempting to obtain large amounts of pharmaceutical preparations containing ephedrine and pseudoephedrine. The Board reiterates its recommendation to all Governments to control pharmaceutical preparations containing scheduled substances in the same way as they control scheduled substances.

3. Substitute chemicals

49. As underlined in the resolutions adopted by the General Assembly at its twentieth special session, information on non-scheduled chemicals is crucial because it enables Governments and the Board to identify new trends in illicit drug manufacture and trafficking in precursors. Because the monitoring of precursors has been strengthened, trafficking organizations are seeking out non-scheduled substances, including derivatives specially designed to circumvent existing controls. The Board invites Governments to use the updated limited international special surveillance list of non-scheduled substances, which was provided to all competent authorities in June 2007. It also invites Governments to put in place mechanisms for alerting them to suspicious transactions involving such substances and to provide the Board with detailed information on any seizures of non-scheduled precursors.

50. In response to emerging trends in illicit trafficking and pursuant to the proposals of the Board, the Commission on Narcotic Drugs assessed and scheduled phenylpropanolamine, which is used in the illicit manufacture of ATS; and transferred from Table II to Table I of the 1988 Convention acetic anhydride and potassium permanganate, two key chemicals used in the manufacture of heroin and cocaine, respectively. The Board is currently conducting an assessment of phenylacetic acid with a view to possibly recommending the transfer of the substance from Table II to Table I.

IV. Other specific tasks related to the twentieth special session of the General Assembly undertaken by the Board

51. The mandate of the International Narcotics Control Board under the international drug control treaties, and the very essence of its work, is to evaluate treaty implementation based on the examination and analysis of information available to it and based on its own continuous evaluation of efforts by Governments.