

Annex I

Open-ended intergovernmental expert working group on supply reduction

Discussion note by the International Narcotics Control Board

I. Introduction

1. States are obliged to address the illicit supply of drugs under the international drug control conventions: the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol,^a the Convention on Psychotropic Substances of 1971^b and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.^c Pursuant to article 35 of the Single Convention on Narcotic Drugs of 1961^d and article 21 of the 1971 Convention, parties should, inter alia, make arrangements at the national level for coordination of preventive and repressive action against the illicit traffic, to which end they may usefully designate an appropriate agency responsible for such coordination.

2. In the 1988 Convention the illicit supply of controlled substances was targeted in a comprehensive manner and the international community was provided with tools to combat drug trafficking, including in areas such as the control of precursor chemicals, mutual legal assistance in the investigation and prosecution of drug-related crime and in countering the laundering of money derived from drug trafficking.

II. Achievements

3. Most States consider supply reduction a high priority, which is why they include it as a component of their drug control policy. In response to a survey carried out by the International Narcotics Control Board on the implementation of the international drug control conventions, 72 per cent of responding Governments indicated having developed and implemented a national supply reduction policy. About 9 per cent indicated that supply reduction was addressed through other policies and another 9 per cent was in the process of establishing a supply reduction policy.

4. There is increased awareness among Governments regarding the interdependence of supply reduction and demand reduction, and some States have started coordinating both kinds of interventions. Successful examples of such coordination have shown that reducing the availability of illicit drugs while also implementing programmes for the prevention and treatment of drug abuse leads to a sustained reduction in overall drug abuse.

^a United Nations, *Treaty Series*, vol. 976, No. 14152.

^b *Ibid.*, vol. 1019, No. 14956.

^c *Ibid.*, vol. 1582, No. 27627.

^d *Ibid.*, vol. 520, No. 7515.

5. Governments have become increasingly aware of the importance of addressing cybercrime in their efforts to reduce the supply of illicit drugs. Initiatives have been taken at the national and international levels. For example, the national police forces of several States have established units dedicated to combating cybercrime. The Convention on Cybercrime^e of the Council of Europe represents an example of advanced international collaboration in the area of high-technology crime.

6. The implementation of the international drug control system has continued to effectively prevent the diversion of narcotic drugs and psychotropic substances from international trade to illicit channels, thus contributing successfully to reducing the supply of illicit drugs. In recent years, few cases of diverted narcotic drugs have been reported and almost all attempts at such diversion have been successfully identified. The very small number of successful diversions involve only small quantities of drugs.

7. Controlling precursor chemicals has also contributed to reducing the supply of drugs on the illicit market. For example, international initiatives such as Project Cohesion and Project Prism have contributed to preventing the diversion of large amounts of acetic anhydride, potassium permanganate and ATS precursors that could have been used in the illicit manufacture of substances of abuse.

III. Challenges

8. In response to the Board's survey (see para. 3 above), a considerable number of States indicated that continued lack of resources and inadequate training are the main challenges faced in implementing supply reduction strategies. Cooperation at the regional and international levels also needs to be improved in order to strengthen supply reduction programmes.

9. Supply reduction efforts can be severely limited by differences in the laws of States with regard to the way in which offenders are prosecuted, court decisions involving defendants who reside abroad are enforced and protocols governing cross-border investigations are implemented. The admissibility in court of evidence involving crime perpetrated electronically is a particularly difficult issue. Many authorities lack the capacity to intercept and understand encrypted communications, thus compromising the prevention and detection of drug-related crime and the prosecution of individuals involved in such crime.

10. Many Governments continue to give higher priority to and more resources for supply reduction measures than demand reduction measures, despite the fact that supply reduction activities have been shown not to produce sustainable results if they are not coordinated with demand reduction interventions. Consequently, the effectiveness of a combined supply and demand reduction strategy is compromised in many countries.

11. Over the past decade, the Internet and other information and communication technologies have posed complex challenges to the supply reduction efforts of Governments. The increasing sale over the Internet of prescription drugs without proper certification represents a serious challenge to regulatory bodies and law

^e Council of Europe, *European Treaty Series*, No. 185.

enforcement agencies. As illicit trade over the Internet is often dependent on postal services to deliver drugs, it has become necessary to devise ways of scanning, identifying and intercepting parcels containing illicit drugs. In that regard, the absence of drug-related legal provisions against cybercrime in many countries is a matter of particular concern.

12. Although the diversion of licitly manufactured controlled substances from international trade rarely occurs, diversion from domestic distribution channels, of such substances, in particular psychotropic substances, remains a problem. Pharmaceutical preparations containing internationally controlled substances are often sold by unauthorized individuals or entities without following the proper procedures or with forged prescriptions. For example, benzodiazepines and amphetamines can be easily obtained without a prescription in some developing countries. In developed countries, there are increasing reports that controlled drugs diverted from domestic distribution channels are being abused or misused.

13. The increased availability of counterfeit pharmaceutical preparations, which may also contain internationally controlled substances, poses an additional challenge to reducing the supply of illicit drugs in both developing and developed countries. According to estimates of the World Health Organization, at least 10 per cent of the world's drugs are counterfeit. In developing countries, 25-50 per cent of the medicines consumed are believed to be counterfeit.

14. Inadequate control legislation and weak mechanisms for monitoring and controlling precursor chemicals in a number of countries hamper supply reduction efforts. In many parts of the world, traffickers are trying to obtain pharmaceutical preparations containing ephedrine and pseudoephedrine from licit national and international trade, to be used in the illicit manufacture of methamphetamine.

IV. Recommendations

15. Governments without a supply reduction policy should adopt one and ensure that an appropriate agency is designated or established to coordinate efforts in that area. Governments should make efforts to improve cooperation between agencies involved in drug control, both at the national and international levels. States should consider exploring ways of ensuring effective and sustained regional and international cooperation in addressing drug trafficking issues, either through multilateral forums or on a bilateral basis.

16. Governments should ensure that appropriate procedural and substantive laws are introduced at the national level to deal with crimes committed in an electronic environment. The unauthorized offering for sale of narcotic drugs, psychotropic substances and precursor chemicals should be a prosecutable offence in the jurisdiction of any State that is a party to the international drug control treaties.

17. Governments should require online pharmacies to be licensed wherever they operate or deliver prescription drugs, and set up a system of oversight for such activities. Governments should consider taking into account the *Guidelines for Governments on Preventing the Illegal Sale of Internationally Controlled Substances through the Internet*, prepared by the Board.

18. Governments should consider developing programmes of action at the national, regional and international levels aimed at preventing drug-related high-technology crime. Drug law enforcement agencies are encouraged to participate in existing networks at the regional and global level. Assistance should be provided to developing countries considered at risk of being exploited through the use of high-technology crime.

19. Consideration might be given to the development of a United Nations convention against cybercrime. Such a convention would provide a global classification and definitions of high-technology and computer-related crime, as well as a framework for legislative harmonization and international cooperation in the investigation and prosecution of cross-border crime committed or facilitated by electronic means. It could also include a section on drug-related crime, with a reminder to Governments of the provisions contained in the international drug control treaties regarding the advertisement of narcotic drugs and psychotropic substances. Such a cybercrime convention would have to balance the need for security and protection from crime with concerns for preserving civil liberties, dignity and privacy.

20. Governments should make efforts to coordinate supply reduction and demand reduction strategies. Interventions by Government ministries and agencies responsible for law enforcement, health, education, social issues and economic development activities should be integrated into a complementary strategy. A central national authority, composed of a balanced representation of agencies focused on drug supply and demand reduction, should coordinate efforts and prioritize the distribution of financial and other resources.

21. Governments should ensure that the diversion of controlled substances from domestic distribution channels to illicit markets is prevented. Where necessary, efforts should be made to enhance legislation on the domestic distribution of controlled substances.

22. Governments are encouraged to adequately monitor the licit manufacture and distribution of precursor chemicals used in the illicit manufacture of drugs, such as acetic anhydride and potassium permanganate, in addition to strengthening their controls over international trade in accordance with article 12, paragraph 8, of the 1988 Convention. Where appropriate, States should aim to control pharmaceutical preparations containing scheduled substances under the 1988 Convention in the same way that they control the scheduled substances contained in those preparations.

Annex II

Open-ended intergovernmental expert working group on countering money-laundering and promoting judicial cooperation

Discussion note by the International Narcotics Control Board

I. Money-laundering

A. Introduction

1. The adoption of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988^a marked the first decisive step in mobilizing the international community against money-laundering. In article 3 of the 1988 Convention, money-laundering offences are defined and it is stated that parties to the Convention should establish them as criminal offences to be punished in conformity with the law. In article 6, it is stated that such offences should be subject to extradition. Since money-laundering often includes international financial transactions, combating money-laundering almost by definition requires effective international cooperation. In the 1988 Convention, the kind of cooperation that States parties should afford each other in conducting joint operations against money-laundering is outlined.

B. Achievements

2. The international community agrees that money-laundering is a priority issue, as evidenced by the high rate of ratification of the 1988 Convention (182 States parties as at 1 November 2008) and the implementation of a number of other initiatives against money-laundering.

3. Also significant was the adoption, in 2001, of the United Nations Convention against Transnational Organized Crime,^b which contains, in its articles 6 and 7, detailed provisions stipulating the measures that States parties should take against money-laundering. Pursuant to article 34 of that Convention, money-laundering should be established as a crime independently of the transnational nature or the involvement of an organized criminal group.

4. The Financial Action Task Force on Money Laundering, which was first established by the Group of Seven^c in 1989 and currently has 34 member States, has taken the lead in efforts to combat money-laundering, in particular through monitoring implementation of its 40 recommendations (available

^a United Nations, *Treaty Series*, vol. 1582, No. 27627.

^b *Ibid.*, vol. 2225, No. 39574.

^c The Group of Seven is comprised of the following countries: Canada, France, Germany, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

at <http://www.fatf-gafi.org>). Those recommendations have been revised several times to reflect developments in money-laundering techniques.

5. Many States have strengthened their efforts against money-laundering in line with the Financial Action Task Force on Money Laundering and while a significant number of countries and territories did not cooperate with the Financial Action Task Force on Money Laundering at the outset, the number of countries and territories designated as “non-cooperative” has steadily decreased.

C. Challenges

6. Thirteen Governments still have not become parties to the 1988 Convention: eight are in Oceania (Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Solomon Islands and Tuvalu), three are in Africa (Equatorial Guinea, Namibia and Somalia), one is in Asia (Timor-Leste) and one is in Europe (Holy See). Significant money-laundering problems have been reported in some of the States that have not yet become parties to the 1988 Convention.

7. There are currently 147 States parties to the Organized Crime Convention, which means that a significant proportion of States are not yet parties to that important international legal instrument.

8. Although the Financial Action Task Force on Money Laundering is widely recognized as the authoritative international body in the field of money-laundering, the organization has only 34 member States, a fact that might lead to difficulties as international efforts against money-laundering continue to develop.

9. The techniques used in money-laundering evolve rapidly, often more quickly than the capacity of law enforcement officials to react to them, in particular in countries where authorities have relatively little experience in combating such activity.

D. Recommendations

10. States that have not yet done so are encouraged to accede to and implement the 1988 Convention and the Organized Crime Convention at the earliest opportunity.

11. The international community should consider establishing a comprehensive worldwide framework to more effectively coordinate action against money-laundering. Such a framework would include procedures to evaluate and recommend improvements in Governments’ efforts.

12. Governments should consider fully implementing the 40 recommendations formulated by the Financial Action Task Force on Money Laundering (see paragraph 4 above) and introduce and effectively apply laws to counter money-laundering, including laws on the confiscation of the property of drug traffickers. Governments should continue to ensure that measures against money-laundering are revised regularly to take into account new developments in both money-laundering techniques and information technology.

13. Governments are encouraged to institutionalize procedures that oblige financial institutions to report suspicious transactions to the authorities.

Governments should also consider extending similar reporting obligations to professionals engaged in financial activities.

14. Governments are encouraged to strengthen regulations governing companies so as to make ownership and control more transparent and to facilitate cooperation between companies and law enforcement agencies that combat money-laundering.

15. Governments should, pursuant to article 5, paragraph 7, of the 1988 Convention, consider ensuring that the onus of proof is reversed regarding the lawful origin of alleged proceeds or other property liable to confiscation even if doing so involves making constitutional or legislative changes.

16. Governments should establish specialized bodies to investigate money-laundering and provide those bodies with adequate financial, human and material resources.

17. Governments should consider strengthening international cooperation against money-laundering. In particular, more experienced Governments should, for example, provide technical assistance in combating money-laundering, including training for law enforcement officials, to ensure that less experienced Governments are not exploited by criminal organizations.

18. Governments should consider allocating part of the value of confiscated proceeds and property to bodies specializing in the fight against drug trafficking and abuse.

II. Judicial cooperation

A. Introduction

19. The 1988 Convention includes provisions on mutual legal assistance. Pursuant to article 7 of that Convention, States parties should afford one another the widest measure of mutual legal assistance in investigations, prosecutions and judicial proceedings in relation to drug trafficking. Article 18 of the Organized Crime Convention contains language reiterating that mutual legal assistance should be afforded to the fullest extent possible.

20. With regard to the extradition of individuals involved in drug-related offences, States parties may, pursuant to article 6 of the 1988 Convention, consider that Convention as the legal basis for extradition. States parties that decline to extradite a person are, in most cases, required to consider prosecution domestically.

21. Controlled delivery (an investigative technique allowing illegal or suspicious consignments of, for example, illicit drugs, to pass out of, through or into one or more countries with the knowledge or under the supervision of their competent authorities with a view to identifying those involved in the commission of serious offences) is another important tool used in countering drug trafficking. Pursuant to article 11 of the 1988 Convention, States parties should take the necessary measures to allow for the appropriate use of controlled delivery at the international level.

B. Achievements

22. Information collected by the International Narcotics Control Board through its survey on progress achieved since the holding of the twentieth special session of the General Assembly, in 1998, shows that many countries participate in joint operations and extend mutual assistance against drug trafficking as members of regional and international organizations, such as the United Nations Office on Drugs and Crime, the International Criminal Police Organization (INTERPOL), the European Police Office (Europol), and regional and subregional task forces against drug trafficking. Cooperation in law enforcement has increased in all regions, as has use of the technique of controlled delivery.

23. Over 90 per cent of the Governments that provided information on this issue to the Board indicated that law enforcement or border control officials meet regularly with their counterparts in neighbouring countries or territories to discuss drug trafficking matters.

C. Challenges

24. When asked whether they perceived the quality of cooperation with neighbouring countries and territories to be sufficient, nearly 30 per cent of States informed the Board that improvements were needed. Most of those States were either in Africa or the Americas.

25. Most discussions between neighbouring countries on drug trafficking issues appear to be only taking place at the working level, while meetings at a more senior, policymaking level (for example, at the vice-ministerial or ministerial level) were far less common.

26. Despite the fact that the 1988 Convention contains provisions on extradition, there continues to be a significant number of States (at least half of those that provided information to the Board on the issue) requiring a bilateral agreement for the extradition of individuals involved in drug-trafficking offences. The majority of those States are in Asia.

D. Recommendations

27. Governments that have not yet done so should accede to and implement the 1988 Convention and the Organized Crime Convention at the earliest opportunity.

28. Governments should consider strengthening mechanisms for international cooperation in the fields of mutual legal assistance and law enforcement assistance, at both the working and policymaking levels.

29. Governments are encouraged to allow the 1988 Convention to be sufficient legal basis for extradition of individuals involved in drug-related offences.

Annex III

Open-ended intergovernmental expert working group on international cooperation on the eradication of illicit drug crops and on alternative development

Discussion note by the International Narcotics Control Board

I. Introduction

1. States parties should make efforts to eradicate illicitly cultivated drug crops in their territories, as laid out in the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol^a and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.^b In addition, pursuant to article 14 of the 1988 Convention, States parties may cooperate to increase the effectiveness of eradication efforts, including by providing support, when appropriate, for integrated rural development leading to economically viable alternatives to illicit cultivation.

2. States must therefore make efforts in eradication and law enforcement, on the one hand, and alternative development, on the other, in order to achieve real progress. Simple eradication of illicit crop cultivation without the provision of legitimate sustainable livelihoods could lead to a deterioration of the social and economic situation of the farming communities concerned and, ultimately, would not be sustainable. Likewise, alternative development without adequate law enforcement would not achieve the desired goals.

3. Efforts to provide legitimate, sustainable alternative livelihoods should be made not only in rural areas where drug crops are illicitly cultivated, but also in areas, both rural and urban, where illicit drugs are abused. Areas seriously affected by drug-related problems and States that have become dominated by the illicit drug economy need overall development approaches that take such problems fully into account, fully integrating them into the mainstream of the principles and practices of alternative development.

II. Achievements

4. Governments continue to make efforts in eradication, and visible results have been achieved in some countries, mainly in those where a consistent, development-oriented approach has been adopted towards the provision of legitimate, sustainable livelihoods to farming communities.

5. Advanced technologies, including satellite imagery, is increasingly being utilized in eradication efforts to detect the location and scale of illicit drug crops.

^a United Nations, *Treaty Series*, vol. 976, No. 14152.

^b *Ibid.*, vol. 1582, No. 27627.

III. Challenges

6. Inadequate levels of security and stability have hampered eradication efforts in some countries. In addition, Governments have sometimes lacked the capacity to detect and eradicate illicit drug crops in remote and difficult-to-reach areas. Corruption within Governments has also hampered eradication efforts.

7. Although alternative development programmes provide initial assistance to crop growers, the problem of the long-term sustainability and security of alternative livelihoods often remains. Despite repeated calls by the international community, including by the General Assembly at its twentieth special session, for improved market access and the setting of fair prices for the products of alternative development programmes, it continues to be difficult to strengthen the licit economy via legitimate marketing channels.

8. It is often not possible, in the framework of alternative development programmes, to provide financial services such as microcredit to farmers wishing to switch from illicit drug crops to alternative crops. Growers who have given up illicitly cultivating drug crops but whose livelihood is not secure are more likely to return to illicitly cultivating such crops.

9. A balance is needed between development efforts and law enforcement measures in illicit crop cultivation areas. Law enforcement officers in alternative development areas need to become positively involved with the communities they work in so that they are not seen to be acting against their well-being, but, rather, to be providing the security necessary for community members to pursue legitimate livelihoods.

10. To date, alternative development programmes have been implemented largely in the context of individual rural development projects in isolated areas. This tendency to implement alternative development programmes on a project-by-project basis does not result in the kind of impact that will reduce illicit crop cultivation on a large scale. The vast majority of illicit crop growers have unfortunately not received direct alternative development assistance. In addition, Governments often neglect to provide for adequate infrastructure for the transport of alternative crops, which means that the crops have no easy access to markets. The lack of general education and literacy programmes might also contribute to making legitimate livelihoods unsustainable in the long term. The provision of health care is also often inadequate, in particular taking into consideration the fact that illicit drug crop cultivation is often followed by increasing rates of drug abuse among the farming population.

11. In general, alternative development programmes have not adequately taken into account the situation of marginalized populations. In order for alternative development programmes to be sustainable in the long term, more attention needs to be paid to such communities, both in rural and urban areas.

12. Abusers of illicit drugs are often marginalized and live in difficult circumstances (such as in the slums of large cities); some members of marginalized communities in urban areas may also be forced by violent gangs to deal drugs at the street level. Street-level dealers are often addicts who require access to prevention, educational and treatment programmes and who often have almost no opportunities

for earning legitimate income. Well-defined policies that include input from those affected are needed to help reduce drug-related problems, including drug-related crime.

13. The Commission on Narcotic Drugs of the United Nations Office on Drugs and Crime (UNODC) has expressed its support for alternative development programmes several times. Nonetheless, and despite the fact that high levels of poverty are often accompanied by high levels of risk of illicit drug activities, few States have implemented such programmes.

14. Much has been achieved in terms of eliminating the illicit cultivation of opium poppy in South-East Asia. However, the situation with regard to illicit opium poppy cultivation in Afghanistan remains serious. Although in some parts of Afghanistan the area under illicit opium poppy cultivation has been reduced, the efforts of the Government of Afghanistan and the international community continue to be hampered by the high levels of insecurity and corruption. As a result, much remains to be done in order to achieve real progress. The Board is concerned about the fact that illicit opium poppy cultivation in Myanmar is once again increasing.

15. One major concern, especially in areas under coca bush cultivation, is that of the effects of such cultivation on the environment. It is estimated that more than 88,000 hectares were given over to the cultivation of coca bush in the Amazon basin in 2004, affecting important rainforest and natural ecosystems and having serious implications for the global environment. In addition, the initial processes of cocaine manufacture, which often result in the unsafe disposal of dangerous chemical waste, may be taking place close to where coca leaves are harvested.

16. Morocco is the only country in which there has been an alternative development programme targeting the illicit cultivation of cannabis plants. The situation in Africa is of particular concern, as cannabis production and drug abuse often do not receive sufficient attention in poverty reduction strategies prepared by States in the region and their development partners. As early as 2003, the Board noted the increasing shift from cultivation of food crops to cannabis in some areas, resulting in food shortages.^c Cannabis cultivation is also becoming a major issue in Afghanistan and Paraguay.

IV. Recommendations

17. The international community should, in Afghanistan and elsewhere if necessary, provide adequate assistance to ensure a secure and stable environment so that eradication and alternative development programmes can be implemented. Governments, in particular the Government of Afghanistan, should consider strengthening efforts against corruption.

18. The international community is encouraged, through UNODC and other relevant organizations, to continue expanding the use of advanced technology, including satellite imagery, to monitor the scale and location of illicit drug crops

^c *Report of the International Narcotics Control Board for 2003* (United Nations publication, Sales No. E.04.XI.1), para. 238.

and assist with efforts in eradication and alternative development, taking into consideration the environment.

19. Governments should consider carrying out a comprehensive analysis of the dynamics of the illicit drug economy in order to understand the interactions it has with different aspects of the local economy and ensure that legitimate alternative livelihood strategies are suited to the area concerned.

20. Governments and relevant international and regional organizations are encouraged to integrate alternative development into their broader development programmes. The current project-by-project approach to alternative development should be changed, with commitment being made towards long-term strategies for the provision of legitimate alternative livelihoods. Such commitment should be demonstrated through, inter alia, the provision of infrastructure, education, literacy and other supportive programmes with a focus towards ensuring the sustainable development of the farming communities concerned. Programmes for adequate health care, including for the prevention and treatment of drug abuse, should also be provided.

21. The Board recommends that Governments broaden the focus of alternative development programmes, paying greater attention to the needs of marginalized and neglected populations in both rural and urban areas.

22. Governments should pay greater attention to the growing problem of illicit cannabis plant cultivation, in particular in poor areas, and implement strategies against the phenomenon that include eradication and alternative development programmes, with the support of the international community, when required.

23. Governments should consider formulating their domestic and international trade policies, in particular policies regarding access to markets for products and services from alternative development areas. International trade agreements should also take this into account and should be drafted and implemented so as to support efforts towards eliminating the illicit drug economy wherever it exists.

24. Governments should make efforts to ensure that law enforcement activities in areas under illicit crop cultivation contribute to building trust between local communities and the authorities and should promote the greater involvement of communities in the formulation of policies to deal with various aspects of the drug problem. In order to be effective, law enforcement should be considered a supportive factor in the context of overall socio-economic development. Governments should also ensure that law enforcement officers are able to protect farming communities from criminal organizations that attempt to force them to produce illicit drug crops.

25. Governments are encouraged to ensure that alternative development programmes include measures to ensure the provision of adequate loans and other relevant support to farming communities in the process of switching to alternative, legitimate crops.

26. Governments should consider, with a view towards taking measures in the area of preventative alternative development, as recommended by the Commission on Narcotic Drugs, identifying population groups that may become involved in the cultivation of illicit drug crops and work to ensure legitimate and sustainable livelihoods for those communities.

27. Governments and other relevant institutions, including intergovernmental organizations, are encouraged to share and disseminate the experiences they have gained with alternative development programmes, ensuring the involvement of local communities and academic and research institutions in that process, with a view to expanding the knowledge base of alternative development programmes.

Annex IV

Open-ended intergovernmental expert working group on drug demand reduction

Discussion note by the International Narcotics Control Board

I. Introduction

1. Demand reduction is a core component of the international drug control conventions. Pursuant to article 38 of the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol^a and article 20 of the Convention on Psychotropic Substances of 1971,^b Governments should take all practicable measures for the prevention of abuse of narcotic drugs and psychotropic substances and for the early identification, treatment, education, aftercare, rehabilitation and social reintegration of the persons involved. Pursuant to article 14, paragraph 4, of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,^c States parties should adopt appropriate measures aimed at eliminating or reducing illicit demand for narcotic drugs and psychotropic substances, with a view to reducing human suffering and eliminating financial incentives for illicit traffic.

2. Taking into account those provisions in the international drug control conventions, the General Assembly at its twentieth special session, held in 1998, recognized that supply reduction and demand reduction are two sides of the same coin and that only when the two are implemented together can truly tangible results be achieved in reducing drug abuse and trafficking. Since illicit drug supply and demand are inseparable parts of a single problem, the success of efforts to reduce the one is related to a commitment to simultaneously reduce the other.

3. The objectives of demand reduction programmes are to prevent and reduce the abuse of drugs, treat those addicted and reduce the adverse consequences of drug abuse. Demand reduction programmes provide for and encourage the active participation of the general public and target those at particular risk, regardless of their location or economic condition. Community-, school- and family-based prevention programmes promote proper attitudes about the availability and abuse of drugs and the perception of their risks. They may also increase awareness of vulnerability, risk and factors that are closely associated with a disposition to abuse drugs.

II. Achievements

4. During the decade that has elapsed since the holding of the twentieth special session of the General Assembly, in 1998, Governments have given more priority to drug demand reduction. The simple distinction between supplier and consumer

^a United Nations, *Treaty Series*, vol. 520, No. 7515.

^b *Ibid.*, vol. 1019, No. 14956.

^c *Ibid.*, vol. 1582, No. 27627.

countries is no longer accepted, and it is now widely understood that transit countries are vulnerable to becoming consumer and even supplier countries. Similarly, it is no longer assumed that suppressing drug supply in some countries will reduce the demand in other countries.

5. In 2007, the International Narcotics Control Board carried out a survey^d on progress made since the twentieth special session. The results of the survey show that most States recognize the importance of demand reduction. In fact, 75 per cent of responding Governments indicated that a national policy specifically aimed at reducing drug demand had been established, 13 per cent had incorporated demand reduction into other policies and 6 per cent were developing such a policy; 6 per cent of responding States had no policy. Those countries were evenly spread across all the regions of the world.

6. From the outset, the international drug control system has made an essential contribution to reducing the demand for drugs worldwide. The amount of opiates abused in China alone at the beginning of the twentieth century is estimated to have totalled more than 3,000 tons in morphine equivalent. In comparison, the amount of opiates illicitly used worldwide is currently estimated to total about 400 tons in morphine equivalent annually. This demonstrates that the situation with regard to opiate addiction is far better today than it was before the international drug control system was established. More recently, successes have been achieved, for example, in reducing the abuse of heroin in a number of countries.

7. Governments increasingly appreciate the interdependence of supply and demand reduction and some Governments have moved to an integrated approach between supply and demand reduction strategies. Successful examples show that reducing the availability of illicit drugs combined with treatment for drug abusers has led to a sustained reduction of overall drug abuse.

8. Several Governments have developed national treatment regimes that take into account local conditions and that include a variety of measures in addition to or instead of imprisonment. Such measures can range from offering the offender the possibility of undergoing supervised treatment and imprisonment to including treatment as part of the prison sentence.

III. Challenges

A. Policies

9. The results of the survey carried out by the Board show that demand reduction policies are still lacking in some of the responding States, mainly in the Caribbean and in Central Asia. Not all Governments recognize or implement mutually reinforcing supply and demand reduction strategies. Some Governments indicated that priority and more resources were being given to supply reduction interventions.

^d In 2007, the Board sent a questionnaire to all Governments to evaluate the implementation of the drug control conventions and establish progress made during the UNGASS decade. Questions were asked on a variety of issues including drug control legislation and policies, as well as perceived challenges. Out of the 216 questionnaires sent to all countries and territories, 145 (67 per cent) were returned to the Board.

10. The Governments of several countries were increasingly focusing attention and resources on measures aimed at reducing the adverse health and social consequences of drug abuse. In those countries, other, more essential, demand reduction measures, such as prevention and treatment, appeared to have been neglected.

11. Many Governments, even some with significant financial and human resources, lacked the infrastructure needed to systematically monitor drug abuse trends. The Governments tended to suffer from a lack of coordination between relevant agencies, insufficient expertise or limited resources for drug control; they also tended to show a general lack of political will to deal with such issues.

12. New drugs of abuse, for example so-called “party drugs”, have emerged in some countries, often taking the place of drugs whose abuse had been reduced, showing that drug abuse is a shifting phenomenon. Often, the elimination of a given drug from the market does not mean the elimination of the drug problem, but only a shift towards the abuse of other drugs or substances.

B. Licit control

13. The international drug control system has been successful in preventing the diversion of controlled substances from international trade to the illicit market. Nevertheless, the abuse of pharmaceutical preparations containing controlled substances diverted from domestic distribution channels remains a serious problem in many countries. In some countries, the abuse of pharmaceutical preparations containing controlled substances is second only to the abuse of cannabis. Data collected by Governments on the patterns of abuse of pharmaceutical preparations suggest that those patterns are related to the overall availability of the preparations: the higher the availability, the higher the abuse.

14. Despite increasing abuse of pharmaceutical preparations, most national drug abuse monitoring systems are not sensitive to the phenomenon of abuse of prescription drugs. Prescribed opioids, benzodiazepines and stimulants are rarely included in drug abuse surveys and in trafficking data collected by law enforcement authorities. That is one of the reasons why the dimensions of the problem are unknown and inadequately assessed.

15. The international drug control conventions require Governments to establish data collection systems to assess the legitimate demand for and supply of controlled substances for medical and scientific purposes. However, unbalanced controls may adversely affect the adequate accessibility of medicines.

C. Drug-related crime and the justice system

16. Illicit drugs, crime and violence continue to be highly damaging to local communities in many countries, as members of those communities have to live in the midst of illicit drug markets, where crime and violence (and the threat of crime and violence) are ever present. The cost of drug abuse and related criminal activity also has short-term and long-term implications for individuals in terms of physical and mental health, as well as social and economic well-being.

17. Opportunities for effective treatment remain unexploited in countries where the criminal justice system does not or cannot employ treatment as an instrument to encourage drug abusers to stop abusing drugs. In some countries, the criminal justice system focuses on incarceration and does not provide adequate treatment instead of, or linked to, imprisonment.

D. The Internet, popular culture and incitement

18. The continuing rise in Internet sales of pharmaceutical preparations containing internationally controlled substances without valid prescriptions is posing a very significant challenge to international drug control. According to information from countries in which activities of illegal Internet pharmacies are closely investigated, the very high volume of transactions carried out by individual Internet pharmacies is a matter of serious concern.

19. The promotion, or at least the tolerance, of drug abuse in some areas of popular culture can be a contributing factor to creating an environment that is conducive to people abusing drugs. Young people in particular are vulnerable to a popular culture that portrays drug abuse as a normal and acceptable part of a person's lifestyle. The Internet also makes easily available to everyone information on how to manufacture or traffic illicit drugs.

20. Some Governments have not yet implemented, or do not fully enforce the provision in article 3, paragraph 1, of the 1988 Convention that requires States parties to make public incitement or inducement to take drugs a criminal offence, subject to their constitutional principles and the basic concepts of their legal systems. This seriously compromises those Governments' demand reduction efforts and can lead to an increase in drug abuse.

IV. Recommendations

A. Policies

21. All Governments should recognize the value of adopting mutually reinforcing strategies for supply and demand reduction. A central national body, with a balanced representation of agencies focused on reducing both drug supply and demand, should coordinate Government efforts. Governments are encouraged to ensure that measures aimed at reducing the adverse health and social consequences of drug abuse do not take precedence over prevention and treatment. An adequate balance between demand reduction measures should be ensured.

22. Governments that have not yet done so are strongly encouraged to establish an information system to assess trends in drug abuse, so as to gather information on the current situation in a systematic and regular manner. Demand reduction programmes also require constant monitoring and a built-in evaluation process. Relevant international organizations and Governments that have developed information and monitoring systems should consider providing assistance to States that require more expertise and financial and human resources to implement such systems. Governments should conduct medical research into cases of deaths related to the abuse of new drugs.

23. Governments with relevant experiences in demand reduction interventions should consider making those experiences accessible to drug control authorities in other countries or regions. The sharing of information and experiences can contribute to improving demand reduction strategies in countries that do not have established monitoring and evaluation systems.

24. Governments should continue to improve access to treatment and offer greater opportunities for rehabilitation and social integration. Street-level law enforcement activities should be integrated with programmes aimed at reducing demand, such as targeted education programmes. The convergence of criminal justice pressure and public health services that can encourage drug abusers and hard-to-reach addicts to obtain the necessary treatment has been effective in some areas.

25. Governments should provide adequate treatment for drug abusers who are in prison and act to curtail access to illicit drugs in prison. Governments should also provide for alternative sentencing options.

26. Governments should always take adequate prevention measures, even when drug abuse appears to have decreased. In implementing prevention programmes, Governments should take into account the importance of: (a) addressing the values, perceptions, expectations and beliefs that the community associates with drugs and drug abuse; (b) developing the personal and social skills of people, especially children and young persons, to increase their capacity to make informed and healthy decisions; and (c) creating an environment where people have the possibility to develop and lead healthy lifestyles.

B. Licit control

27. Governments need to assess their requirements of narcotic drugs and psychotropic substances on a systematic basis to ensure that supplies are sufficient to meet legitimate demand. Records of operations involving manufacture, import, export and distribution must be verified and any discrepancies accounted for. Member States should further promote the rational use of narcotic drugs and psychotropic substances and adopt prescription procedures that promote the rational use of drugs.

28. Governments that do not do so should examine the issue of the diversion and abuse of pharmaceutical preparations containing narcotic drugs and psychotropic substances and adopt adequate countermeasures, as appropriate.

29. Governments are encouraged to ensure adequate coordination among health and regulatory agencies, the medical community and the pharmaceutical industry in order to ensure that controlled substances are available to meet legitimate needs while at the same time preventing their oversupply.

C. Drug-related crime and the justice system

30. The Board calls on Governments to ensure that local law enforcement authorities, in partnership with community organizations, respond adequately to the problems of microlevel violent crime and drug abuse. Community-based monitoring is essential to deterrence, which is, in turn, essential to reducing demand for drugs.

Early alerts about the emergence of a drug-related problem are critical. Interventions targeting communities and groups at greatest risk of becoming involved in drug abuse and trafficking and in violence associated with such activities can deter and prevent offending and drug abuse. Those elements should be applied alongside demand reduction efforts, including efforts involving the treatment and rehabilitation of drug abusers. Governments are also encouraged to take measures against crime committed under the influence of drugs.

31. Governments should consider establishing “drug treatment courts” (courts specialized in dealing with individuals involved in drug-related offences). Such courts apply restorative justice principles and procedures in diverting appropriate drug-abusing offenders from the traditional criminal justice process into court-supervised treatment and rehabilitation programmes.

32. Governments should review their laws constantly to ensure compliance with the international drug control conventions, as well as the establishment of the required criminal offences and appropriate punishments, including rehabilitation and treatment programmes for drug abusers and other individuals involved in drug-related offences, in accordance with the provisions of the 1988 Convention.

D. The Internet, popular culture and incitement

33. Governments should ensure that customers of Internet pharmacies are made aware of the potential health risk involved in consuming prescription drugs obtained from illegal Internet pharmacies. Governments should take into account the *Guidelines for Governments on Preventing the Illegal Sale of Internationally Controlled Substances through the Internet*, prepared by the Board.

34. Governments should consider strengthening their efforts in prevention, using media that are appropriate and effective in reaching target audiences. In particular, Governments are encouraged to make increasing use of mass media and the Internet to disseminate messages against drug abuse. Governments should take measures against the trade on the Internet in paraphernalia, instruments and other materials required for the illicit production, manufacture and abuse of drugs. Governments should consider seeking ways to foster attitudes against drug abuse.

35. Governments are encouraged to implement and enforce article 3, paragraph 1, of the 1988 Convention, according to which States parties should, subject to their constitutional principles and the basic concepts of their legal systems, establish as a criminal offence the public incitement or inducement of others to use narcotic drugs or psychotropic substances illicitly. States should therefore make violators liable to sanctions that have an appropriate deterrent effect.

Annex V

Open-ended intergovernmental expert working group on control of precursors and of amphetamine-type stimulants

Discussion note by the International Narcotics Control Board

I. Introduction

1. Over the past decade, the International Narcotics Control Board has taken a series of actions to strengthen the control of precursors and counter the illicit manufacture, diversion and abuse of and trafficking in amphetamine-type stimulants (ATS), in accordance with its responsibilities under the international drug control treaties and the mandate it was given through the action plans adopted by the General Assembly at the twentieth special session. In particular, the Board has published, in its annual reports and in its reports on the implementation of article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,^a recommendations to Governments on strengthening measures for the control of precursors.

II. Achievements

A. Control of precursors

2. In accordance with the Political Declaration adopted by the General Assembly at its twentieth special session (resolution S-20/2, annex) and relevant Commission on Narcotic Drugs resolutions (e.g. Commission resolution 51/10), Governments have taken steps to strengthen control measures over precursors, including the adoption of relevant legislation. Governments have also achieved results in establishing mechanisms for monitoring the trade in scheduled chemicals. For example, currently, over 10,000 pre-export notifications are sent annually to 169 countries and territories through the Pre-Export Notification Online (PEN Online) portal. PEN Online is an automated Web-based system for the exchange of pre-export notifications that was launched in 2006. Governments have improved the submission of information to the Board on the licit international movement of precursors, by including annual estimates of legitimate requirements for precursors of ATS.

3. Pre-export notifications remain the most effective means of rapidly verifying the legitimacy of individual transactions. The Governments of 74 countries are now requesting pre-export notifications in accordance with article 12 of the 1988 Convention. Through PEN Online, it has become possible to verify the legitimacy of individual transactions on a real-time basis and to identify and stop over 60 suspicious shipments, thus preventing the diversion of controlled chemicals into illicit channels. In addition, the system has reduced unnecessary delays in

^a United Nations, *Treaty Series*, vol. 1582, No. 27627.

legitimate trade because it allows importing countries to provide timely responses to exporters' enquiries.

4. Significant positive results have been achieved in implementing the recommendations made by the General Assembly at its twentieth special session with regard to the exchange of information on suspicious transactions and the need for multilateral cooperation in exchanging information on precursor transactions and for disseminating systematic information on ways and means used by trafficking organizations. The Board has assisted in launching several successful international initiatives against the diversion of precursor chemicals: Operation Purple (1999-2005), Operation Topaz (2001-2005), Project Prism (since 2002) and Project Cohesion (since 2005). Those initiatives (which are supported by the international community, as evidenced by the adoption of various resolutions by the Commission on Narcotic Drugs and the Economic and Social Council), have led to a significant increase in the number of cases of attempted diversions that have been identified and prevented.

5. Valuable information on the patterns, diversity and extent of the licit international trade in precursor chemicals that otherwise would not have been known has been made available through the activities carried out in the framework of those international initiatives. Through the information exchange networks that have been established, attempts at diverting controlled substances continue to be prevented or uncovered. More information on the missing links between diversions of precursor chemicals from international and domestic licit channels and the smuggling of those substances to areas of illicit drug manufacture is becoming available due to backtracking investigations.

6. Operation Purple, an intensive international tracking programme launched in 1999, was focused on preventing the diversion of potassium permanganate, an important chemical used in the illicit manufacture of cocaine. Operation Topaz, an international initiative launched in 2001 that included backtracking investigations, was targeted at preventing the diversion of acetic anhydride, a critical chemical used to illicitly manufacture heroin. Project Prism was launched in 2002 to prevent the diversion of the main precursors used for the manufacture of ATS. In 2006, Operation Purple and Operation Topaz were merged to form Project Cohesion, whose aim is to address the diversion of chemicals used in the illicit manufacture of heroin and cocaine by providing a platform for regional operations. In the framework of Project Cohesion, a number of activities have been launched in 2008, particularly aimed at stopping the diversion and smuggling of chemicals destined for the illicit manufacture of heroin in Afghanistan.

7. Significant results have been achieved in the framework of Project Prism, an initiative coordinated by the Board pursuant to General Assembly resolution S-20/4 B. By monitoring 1,400 individual transactions, it has been possible to identify 35 suspicious transactions of ephedrine and pseudoephedrine and to prevent the diversion of 52 tons of those substances.

8. In response to emerging trends in trafficking and pursuant to the proposals of the Board, the Commission on Narcotic Drugs scheduled phenylpropanolamine, which is used in the illicit manufacture of ATS, and transferred acetic anhydride and potassium permanganate, two key chemicals used for the manufacture of heroin and cocaine, respectively, from Table II to Table I of the 1988 Convention. The Board is

currently conducting an assessment of phenylacetic acid with a view to possibly recommending the transfer of that substance from Table II to Table I.

B. Control of amphetamine-type stimulants

9. At the international level, most ATS are controlled under the Convention on Psychotropic Substances of 1971.^b Control measures contained in the 1971 Convention vary depending on the schedule in which the substances are listed, with substances in Schedules I and II being those most strictly controlled. Large quantities of substances included in Schedules III and IV and used in the licit manufacture of ATS continued to be diverted from international trade until the late 1990s. Since then, the diversion of those substances from international trade has been virtually eliminated because of additional control measures applied voluntarily by most States to those substances (i.e. import and export authorization systems and the system of assessments of requirements for psychotropic substances, pursuant to the relevant Economic and Social Council resolutions).

10. In response to the actions taken by the Board to draw the attention of Governments to cases of diversion and abuse of pharmaceutical preparations containing ATS obtained from licit distribution channels, some Governments have taken measures to address those problems. As a consequence, they have succeeded in decreasing the amount of pharmaceuticals containing ATS that have been diverted and abused in their territories.

III. Challenges

A. Control of precursors

11. While more States and territories have adopted legislation on precursor control, some of them have not yet implemented measures to criminalize the diversion of precursors. Some countries do not even have legislation on precursor control, which makes them vulnerable to trafficking. Coordination between domestic and international efforts among relevant agencies and capacity-building for administrative structures and human resources needs to be further improved.

12. Due to successes achieved in monitoring 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.

13. 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.

14. In response to the improved monitoring of precursors, trafficking organizations are turning to non-scheduled substances, including derivatives specially designed to circumvent existing controls.

^b Ibid., vol. 1019, No. 14956.

B. Control of amphetamine-type stimulants

15. ATS are still widely available in illicit markets and are usually obtained from illicit manufacture. Some pharmaceutical preparations containing ATS were being trafficked and abused and, for that reason, came under greater control and could no longer be diverted from licit trade or distribution channels; consequently, they are now being manufactured clandestinely.

16. Notwithstanding the above, diversion of ATS from domestic licit distribution channels has remained an important source of illicit drugs; in that connection, the illicit sale of controlled substances through the Internet and mail systems has become a common method of diversion.

17. In many countries, social pressures lead people to abuse ATS such as anorectics, used to suppress appetite and control weight. Some national authorities and large segments of the general population continue to be unaware of the dangers posed by the abuse of ATS, including in the form of pharmaceutical preparations. In some countries, the judiciary is not able to sanction related illegal activities, once detected. In addition, in some countries, aggressive direct-to-consumer advertising and improper medical practice facilitate the excessive availability of ATS on licit markets, which may, in turn, lead to their diversion and abuse.

18. New substances that are not yet under international or national control and can therefore be easily obtained from licit distribution channels or trafficked without fear of sanctions have emerged as substances of abuse. Examples of such substances include piperazine-derived compounds and so-called “designer drugs”, created by making slight changes to the molecular structure of an ATS under international control. The Internet is used as a means of sharing information on those substances and of smuggling the substances involved.

IV. Recommendations

A. Control of precursors

National control measures

19. Governments are strongly encouraged to report to the Board, in accordance with the Political Declaration adopted by the General Assembly at its twentieth special session and other relevant resolutions of the Commission on Narcotic Drugs, in a regular and timely manner, on the adoption of, or changes to, national regulations aimed at controlling precursors. Governments are also encouraged to use the updated limited international special surveillance list of non-scheduled substances that was released to all competent authorities in June 2007. Governments are further encouraged to put in place mechanisms for identifying suspicious transactions involving such substances and provide the Board with detailed information of any seizures of non-scheduled precursors.

20. Governments should strive to control pharmaceutical preparations containing scheduled substances in the same way as they control the substances. They should also strive to strengthen controls over the movement of precursor chemicals within their territory by adequately monitoring the licit manufacture and distribution of

precursors used in the illicit manufacture of drugs, in accordance with article 12, paragraph 8, of the 1988 Convention.

International cooperation

21. Governments are encouraged to actively participate in activities in the framework of Project Cohesion and Project Prism and to promote the ongoing exchange of information with other Governments. Governments are also encouraged to actively participate in regional initiatives aimed at preventing the diversion of precursor chemicals.

Information exchange

22. The Board requests Governments to consider improving domestic coordination among relevant agencies by: registering with and utilizing PEN Online; submitting to the Board the requested information on their estimated annual legitimate requirements for ATS precursors, while regularly reviewing their requirements and informing the Board of any amendments; actively participating in Project Cohesion and Project Prism; and promoting the ongoing exchange of information with other Governments.

B. Control of amphetamine-type stimulants

National control measures

23. All Governments should implement all provisions contained in the 1971 Convention and Economic and Social Council resolutions related to psychotropic substances. In particular, they should: apply the import and export authorization system to all ATS in Schedules III and IV; implement the system of assessments for requirements of psychotropic substances for ATS; ensure that the diversion and attempted diversion of licitly manufactured ATS are considered offences under national law and that adequate penalties for such offences are applied; implement article 10 of the 1971 Convention, which prohibits the advertising of psychotropic substances to the general public; monitor the implementation of prescription requirements for psychotropic substances; and adopt national legislation against the illicit trade in ATS through the Internet, taking into account the *Guidelines for Governments on Preventing the Illegal Sale of Internationally Controlled Substances through the Internet*, prepared by the Board.

Prevention and early detection of the diversion and abuse of amphetamine-type stimulants

24. Governments are encouraged: to include the abuse of ATS, including ATS in the form of pharmaceutical preparations, in all prevention programmes; to include the abuse of ATS, including ATS in the form of pharmaceutical preparations, in surveys carried out to assess drug and substance abuse; wherever necessary, to include treatment for the abuse of ATS, including ATS in the form of pharmaceutical preparations, in national programmes; to train law enforcement authorities to watch out for and seize ATS on illicit markets, including ATS in the form of pharmaceutical preparations and substances not under national or international control; to examine seized samples assumed to contain ATS with a view to

identifying the active ingredients contained in them; to educate health professionals about the dangers posed by the abuse of ATS and invite such professionals to promote the rational use of ATS and follow sound prescribing practices; and to consider establishing prescription monitoring programmes.

International cooperation

25. The Board recommends that Governments share information on new trends in trafficking in and the manufacture and abuse of ATS, including ATS in the form of pharmaceutical preparations, counterfeit medicines and substances that are not yet under national or international control. The Board also recommends that Governments inform the World Health Organization and the Board accordingly and consider notifying the Secretary-General of problems experienced with ATS that have been newly identified as abused, diverted or trafficked, with a view to placing them under international control, in addition to taking measures at the national level. The Board further recommends that Governments cooperate in investigations concerning trafficking in ATS, including against illegally operating Internet pharmacies.