



PUBLIC-PRIVATE PARTNERSHIPS

Concept and Related Activities in Precursor Control



A stylized teal hand is shown at the top, holding a large pink circle. Another teal hand is shown at the bottom, also holding the circle. The background is a light cream color.

PUBLIC-PRIVATE PARTNERSHIPS
IN PRECURSOR CONTROL

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While the terms “public-private partnerships” and “private sector” are used throughout this brochure, it is recognized that there is also non-private (state-owned) industry to which the concept of voluntary cooperation applies.



WHAT IS A PUBLIC-PRIVATE PARTNERSHIP (PPP)?

**Balancing
Effective Precursor
Control with
a Favourable
Commercial
Environment for
Chemical Trade**

In recent years, voluntary public-private partnerships have come to play an increasingly important role in global precursor control. The partnerships aim at preventing the diversion of chemicals for illicit purposes, through cooperation between national authorities and the private sector. Mutual cooperation in this field is often formalised in voluntary agreements.

These agreements are often referred to as industry codes, industry self-regulation, public-private partnerships or codes of practice. By whichever name referred to, voluntary cooperation agreements should be created based on specific country situations and needs, as well as to manage particular aspects of consumer markets.

While the specific content and provisions of individual agreements may vary widely, they recognize that the problems can only be addressed through shared responsibility.

It is important to note that voluntary partnerships are grounded in and supplement the mandatory controls prescribed by Article 12 of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Article 12, Para 9a, 1988 Convention:

Each Party shall "establish and maintain a system to monitor international trade in substances in Table I and Table II in order to facilitate the identification of suspicious transactions. Such monitoring systems shall be applied in close co-operation with manufacturers, importers, exporters, wholesalers and retailers, who shall inform the competent authorities of suspicious orders and transactions".





CHALLENGES

Challenge I

Effective public-private partnerships have become essential as drug traffickers' modus operandi to source chemicals needed for illicit drug manufacture have changed.

Over the last three decades, Governments have successfully adopted and implemented a number of control measures with the aim of preventing substances in Tables I and II of the 1988 Convention from being diverted into illicit channels. This has largely been done by monitoring the substances' movement in international trade. Consequently, drug traffickers are increasingly exploiting vulnerabilities in domestic trade and distribution to obtain these substances. They are also exploring the use of pre-precursors and other non-scheduled substances that can be converted into precursors for illicit drug manufacture.

Non-scheduled substances include so-called "designer precursors", i.e. custom-made chemicals to circumvent existing legislation, precursors used to manufacture new psychoactive substances, as well as off-the-shelf chemicals. Non-scheduled substances may be manufactured and traded by sectors of industry that are regulated by different regulations and authorities than those in charge of controlled drug precursors.

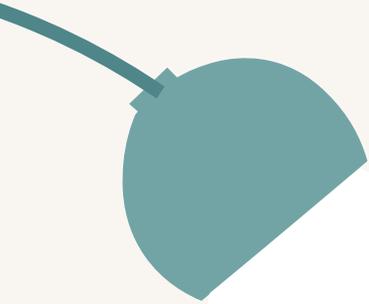
The new sourcing methods as well as the nearly infinite number of non-scheduled substances that could be used to replace controlled precursors pose a significant challenge to many Governments.

Challenge II

Legislative changes provide long-term solutions, but their enforcement and administration are often lengthy and resource-intensive. As most commercial transactions involving precursor chemicals are legitimate and conducted by bona fide companies, additional legislative controls could potentially also place an unnecessary administrative burden on the public and private sectors.

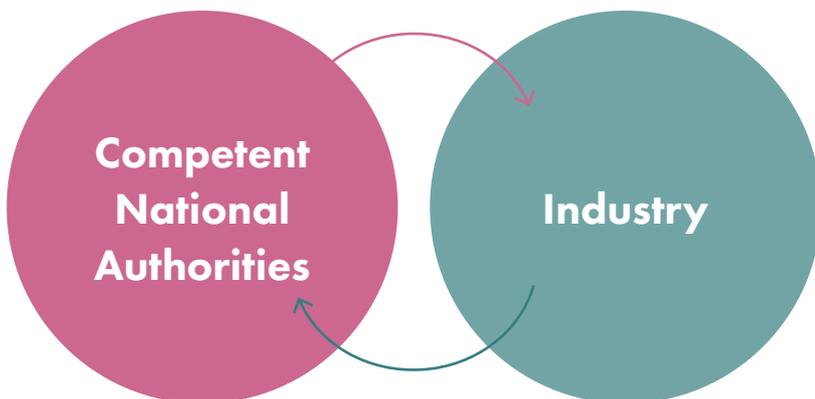
This is where strategies based on voluntary public-private partnerships constitute an important supplement to the obligatory controls. The partnerships provide a number of tangible benefits to both the public and the private sector. Through their speed of response and flexibility, they effectively address diversion and trafficking of controlled precursors as well as misuse of non-scheduled chemicals.

Countries where public-private partnerships have been implemented have demonstrated that it is possible to balance a favourable commercial environment for chemical trade with effective precursor control.



THE SOLUTION: CLOSE AND INCLUSIVE COOPERATION

Updates on the latest trends, seizures...



Identifying and notifying suspicious orders and transactions

Targeting Problematic Trade

National drug control strategies that include the voluntary involvement of the private sector through codified agreements help detect emerging risks of diversion. An agreed 'code of practice' as part of public-private partnerships can define the conditions of manufacture, distribution and use of substances at risk of diversion. The tracking of activities not in compliance with the code can thus provide the industry with an effective means of self-regulation.

It is important that the industry voluntarily reports to the authorities any suspicious activity along the supply chain, from

inquiries and requests for supply to actual orders, to enable the authorities to investigate the source. In this way, so-called "company-shopping" - a shift from one company to another - can be prevented. At the same time, it is essential that the authorities keep the industry up to date with the latest trends in precursor trafficking as well as seizures of precursors for illicit use.

Managing rogue and intractable players fuelling illicit drug manufacturing is only feasible through the voluntary and close cooperation of governments and industry.

Involving everyone

Considering the fact that diversion can and does happen at all stages of the distribution chain, the extent of participation or involvement of the private sector should not be limited to manufacturing countries and the chemical industry. Rather, partnerships should encompass the manufacturing industry, distributors (including on-line distributors and B2B operators), traders, shippers and end users. Further, depending on the circumstances, the involvement of other industries, such as the fine and speciality chemical industries, the pharmaceutical industry and the flavour, fragrance, cosmetics, food and beverage industries should also be sought.

Cooperating internationally

Public-private partnerships can assist in preventing the diversion of chemicals for illicit purposes. Information about suspicious requests and transactions voluntarily shared by industry with national authorities helps to alert other companies in the same country. If the information is shared internationally, with INCB (through the respective national authorities), the authorities of other countries can be alerted, thus helping to prevent traffickers from placing the same order elsewhere.

NEED FOR GLOBAL ACTION



Although article 12, subparagraph 9 (a), of the 1988 Convention requires Governments to establish cooperation with the industry, the concept has not yet been implemented to its full potential. Even in countries with a long history of partnerships with the private sector, there is room to improve cooperation at lower levels of the distribution chain as well as in relation to non-scheduled and custom-made chemicals (“designer precursors”).

The INCB, through its Public-Private Partnership activities, assists Governments in developing and implementing such voluntary partnerships as an effective strategy to prevent the diversion of chemicals.

Outcome Document of the 2016 UN Special Session on the World Drug Problem:

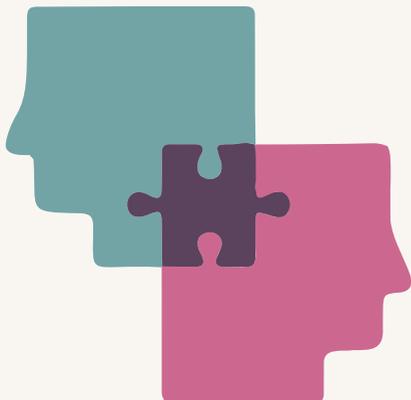
Article 5c recommends Governments to “establish and strengthen partnerships and information exchange with industries, in particular with chemical and pharmaceutical industries and other relevant private sector entities, and encourage the use of the Guidelines for a Voluntary Code of Practice for the Chemical Industry, issued by the International Narcotics Control Board, and the Board’s model memorandum of understanding between Governments and private sector partners, as and where appropriate, bearing in mind the important role these industries can play in addressing and countering the world drug problem”.

INCB'S MANDATE AND ACTIVITIES

Mandate

With its roots pre-dating the United Nations, the INCB is the oldest and most experienced international body working to ensure that adequate supplies of drugs are available for medical and scientific uses, as well as to prevent the diversion of drugs and their precursors.

Under the 1988 Convention, the INCB has a special responsibility to monitor Governments' control over precursors and other chemicals used in the illicit manufacture of drugs, and to assist Governments in preventing the diversion of those chemicals into the illicit traffic. Further, the Political Declaration and Plan of Action of 2009 invited INCB to provide guidelines on how to establish cooperation between competent national authorities and operators.



Activities

The INCB Guidelines for a voluntary code of practice for the chemical industry were launched in 2009. Since 2013, with the aim of raising awareness of the merits of public-private partnerships, INCB regularly organises events such as conferences, workshops and training exercises. For instance, INCB hosted well-received workshops on industry cooperation in Bahrain in 2014 and in Austria in 2016, which were each attended by over 50 participants from many different countries and organisations from around the world. The INCB also encourages and supports the twinning of Governments that endeavour to establish public-private partnerships with Governments that have already done so.

The INCB gladly puts its expertise and services – ranging from informative bilateral consultations and practical support to regional workshops – at the disposal of Governments that wish to expand and institutionalise cooperation with industry.

More information on the individual tools and resources is also available in a one-stop-shop compendium at the following [link](#).

AVAILABLE TOOLS

To proactively assist Governments in establishing or improving voluntary public-private partnerships*, the INCB has published the material below. All tools are available for use by competent national authorities on the INCB secure website and upon request.

Guidelines for a Voluntary Code of Practice for the Chemical Industry

Practical notes for implementing the International Narcotics Control Board guidelines for a voluntary code of practice for the chemical industry

Development and implementation of a Voluntary Code of Practice for the chemical industry formalized through a MoU between government and the private sector: Quick guide

A model memorandum of understanding intended to serve as a basis on which Governments and the chemical industry can develop or enhance voluntary partnerships.

National practices related to public-private partnerships (PPP) in the area of drug precursors and non-scheduled chemicals

Global review of categories of industries involved in the manufacture, trade and distribution of chemicals used in the illicit manufacture of drugs

Limited international special surveillance list of non-scheduled substances (regularly updated by INCB)

In addition, the Precursors Incident Communication System (PICS)** serves as an early-warning mechanism for emerging non-scheduled chemicals and precursor trends.

* https://www.incb.org/incb/en/precursors/global_project/partnerships/main.html

** Registration through incb.pics@un.org

PPP AND SUSTAINABLE

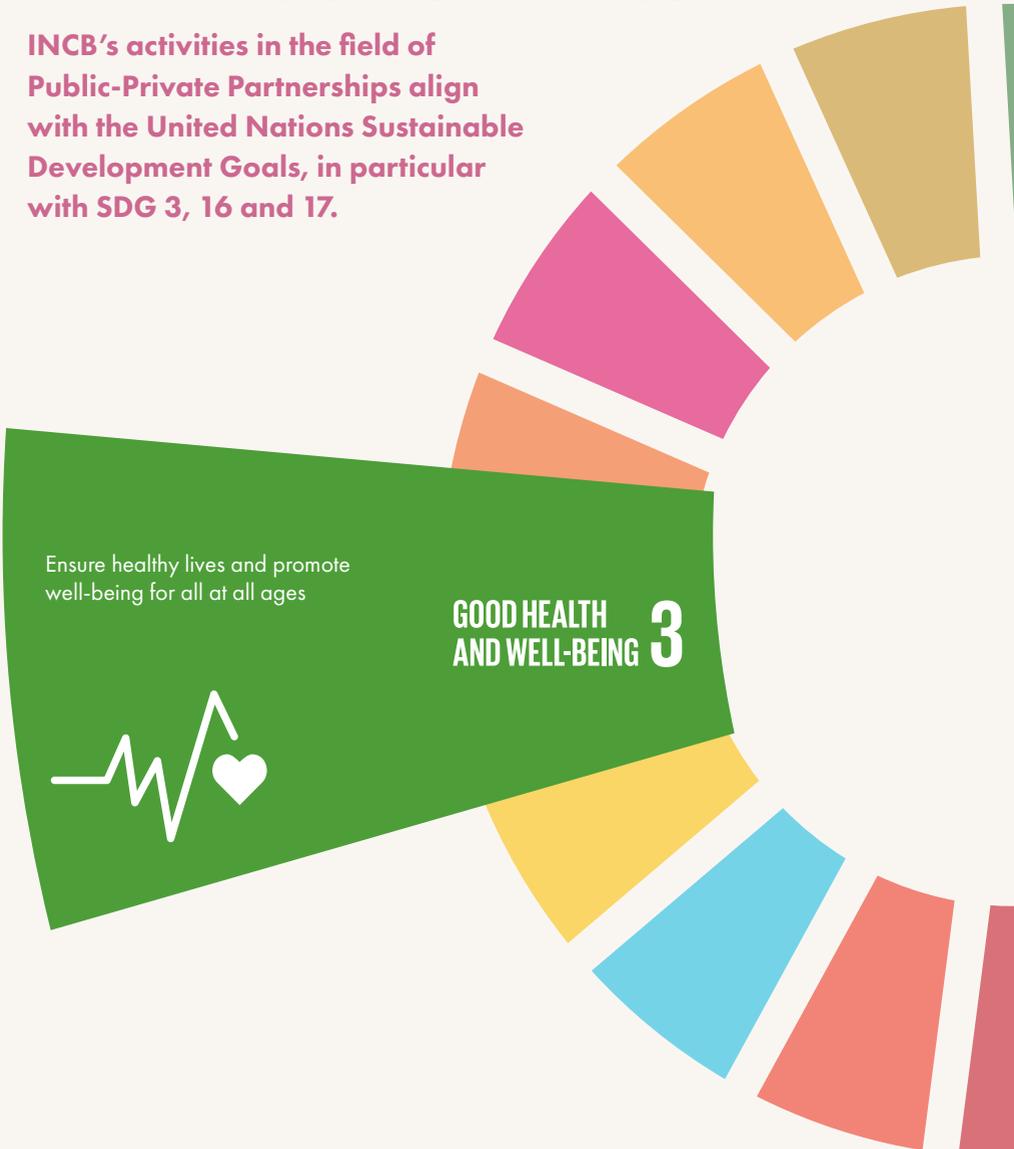
WORKING TOWARDS LONG-TERM SUSTAINABILITY

INCB's activities in the field of Public-Private Partnerships align with the United Nations Sustainable Development Goals, in particular with SDG 3, 16 and 17.

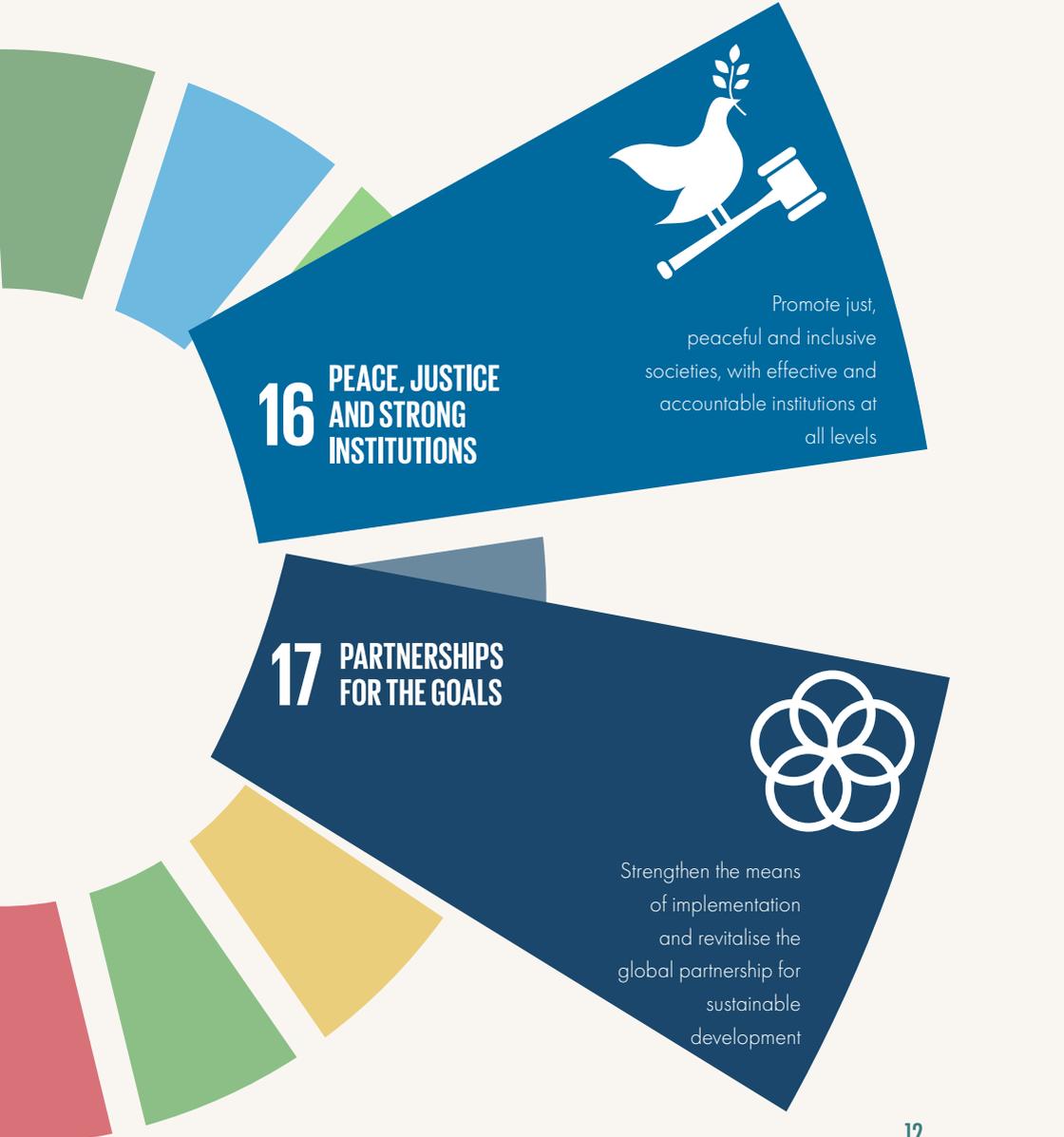
Ensure healthy lives and promote well-being for all at all ages



**GOOD HEALTH
AND WELL-BEING 3**



DEVELOPMENT GOALS



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Promote just, peaceful and inclusive societies, with effective and accountable institutions at all levels

17 PARTNERSHIPS FOR THE GOALS



Strengthen the means of implementation and revitalise the global partnership for sustainable development



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https://www.incub.org/incb/en/precursors/global_project/partnerships/main.html