

II. Action taken by Governments and the International Narcotics Control Board

A. Scope of control

6. In December 2017, the Government of Argentina proposed that three precursors of amphetamine-type stimulants be included in the tables of the 1988 Convention. Pursuant to article 12, paragraph 3, of the 1988 Convention, the Secretary-General then invited Governments to submit their comments concerning the proposal. Responses were received from 50 Governments, although many of those contained only limited information. Nevertheless, the Board assessed the three chemicals on the basis of the information available. It communicated its findings to the Commission on Narcotic Drugs and recommended the inclusion of APAA and 3,4-MDP-2-P methyl glycidate (the methyl ester of 3,4-MDP-2-P methyl glycidic acid) in Table I of the 1988 Convention. The Board further recommended that hydriodic acid not be included in the tables of that Convention. The Commission will vote on the Board's recommendations in March 2019.

7. In its assessment of 3,4-MDP-2-P methyl glycidate (the substance proposed for scheduling by Argentina), the Board noted that the sodium salt of 3,4-MDP-2-P methyl glycidic acid had been and continued to be seized in significant quantities, including in clandestine laboratories. Given the very comparable properties of the sodium salt with regard to the synthesis of MDMA and related substances, the Board considered that scheduling 3,4-MDP-2-P methyl glycidate alone could well be insufficient, as it would likely result in a mere shift to and an increased use of the sodium salt, and possibly of other salts as well.

8. Therefore, taking into account that the scope of Table I and Table II of the 1988 Convention automatically extends to the salts of the substances listed whenever the existence of such salts is possible, the Board considered that the acid form, i.e., 3,4-MDP-2-P methyl glycidic acid, should also be included in one of the tables of the 1988 Convention. Subsequently, in August 2018, the Board sent a supplementary notification to the Secretary-General to formally initiate the procedure for scheduling the acid together

with its salts.³ On the basis of the supplementary information received from Governments, INCB also submitted its recommendation for the international scheduling of 3,4-MDP-2-P methyl glycidic acid, to be considered by the Commission in March 2019.

9. None of the chemicals concerned has to date been given a unique Harmonized System code. Considering the length of the cycle to update the Harmonized System nomenclature, **INCB encourages Governments to adopt, on a voluntary basis, interim, discrete codes based on Harmonized System nomenclature.**⁴

B. Adherence to the 1988 Convention

10. As at 1 November 2018, the 1988 Convention had been ratified, acceded to or approved by 189 States and formally confirmed by the European Union (extent of competence: article 12).

11. Since the 2017 INCB report on precursors, the State of Palestine⁵ deposited its notification of accession to the 1988 Convention on 29 December 2017. As a result, 90 days after the date of deposit, on 29 March 2018, the Convention entered into force for the State of Palestine. The following eight States (by region) are not yet parties to the 1988 Convention:

Africa (three States): Equatorial Guinea, Somalia and South Sudan

Oceania (five States): Kiribati, Palau, Papua New Guinea, Solomon Islands and Tuvalu

C. Reporting to the Board pursuant to article 12 of the 1988 Convention

12. Under article 12, paragraph 12, of the 1988 Convention, parties are required to submit annually to INCB information on the amounts seized of substances included in Table I and Table II of that Convention and, when known, their origin. Parties are also required to submit information on any substance not included in

³The Board has further expressed concern over the illicit use of esters other than the methyl ester notified by the Government of Argentina and, more in general, about the proliferation of non-scheduled and “designer” precursors, the related challenges and the need for a wider policy discussion (see chapter IV for details).

⁴World Customs Organization, *Harmonized Commodity Description and Coding System*, 6th ed. (Brussels, 2017).

⁵In its resolution 67/19, the General Assembly accorded the State of Palestine non-member observer State status in the United Nations.

Table I or Table II that is identified as having been used in the illicit manufacture of narcotic drugs or psychotropic substances, as well as on methods of diversion and illicit manufacture.

13. In order to assist Governments in providing such data, INCB transmits to all Governments an annual questionnaire (known as form D).⁶ The deadline for submission of the 2017 questionnaire was 30 June 2018, although INCB continued to encourage earlier submission (30 April) to allow sufficient time for any necessary clarification of the information received.

14. As at 1 November 2018, a total of 120 States parties had submitted form D for 2017, up from 84 at 30 June 2018. While the submission rate as at 30 June was the highest in five years, the rate at the end of the reporting cycle was among the lowest in recent years. Sixty-six States parties to the 1988 Convention failed to submit form D for 2017.⁷ Of those, two (Gabon and Marshall Islands) have never submitted form D, and 32 have not done so in the past five years (see table). Comprehensive information about the submission of form D by all Governments is included in annex II.

15. INCB welcomes the fact that, of the States parties that failed to submit form D for more than one year in a row, Belize, Botswana and Qatar have resumed doing so. Four States parties submitted form D for the previous reporting cycle (calendar year 2016). INCB continues to be concerned about the number of incomplete or entirely blank forms it receives, about the fact that certain submitting authorities (often regulatory authorities) state that they do not receive seizure information from their law enforcement counterparts, and about the inability of Governments to determine whether or not there were any seizures. This situation continued to affect the Board’s analysis of regional and global precursor patterns and trends.

16. In 2017, 79 States parties reported seizures of substances included in Table I or Table II of the 1988 Convention (see figure I and, for further details, annex III). INCB regrets that, as in the past, few of those Governments supplemented their reports with the additional information required on seizures of substances not in Table I or Table II (51 Governments, or 43 per cent of all 120 submitting States parties) and on methods of diversion and illicit manufacture (32 Governments, or

⁶The latest version of form D is available on the INCB website in the six official languages of the United Nations.

⁷The Holy See and San Marino did not furnish form D separately as their data are included in the report of Italy. Similarly, the data for Liechtenstein are included in the report of Switzerland.

Table. States parties failing to report as required under article 12, paragraph 12, of the 1988 Convention, 2017

Antigua and Barbuda ^a	Libya ^a
Bahamas ^a	Madagascar
Barbados	Malawi ^a
Burkina Faso ^a	Mali
Burundi	Marshall Islands ^b
Cambodia	Mauritania
Cameroon	Mauritius ^a
Central African Republic ^a	Micronesia (Federated States of)
Chad	Mozambique
China	Namibia
Comoros ^a	Nauru ^a
Congo ^a	Niger ^a
Cook Islands ^a	Niue ^a
Côte d'Ivoire	Peru
Cuba ^a	Rwanda
Djibouti ^a	Saint Kitts and Nevis ^a
Dominica	Saint Vincent and the Grenadines
Eritrea ^a	Samoa ^a
Eswatini ^a	Sao Tome and Principe ^a
Ethiopia	Senegal
Fiji	Seychelles
Gabon ^b	Sierra Leone ^a
Gambia	Suriname ^a
Grenada ^a	The former Yugoslav Republic of Macedonia ^a
Guinea ^a	Timor-Leste
Guinea-Bissau ^a	Togo ^a
Guyana	Tonga ^a
Haiti	Turkmenistan
Iraq	Uganda
Kuwait	Vanuatu ^a
Kyrgyzstan	Viet Nam
Lesotho ^a	Yemen ^a
Liberia ^a	Zambia

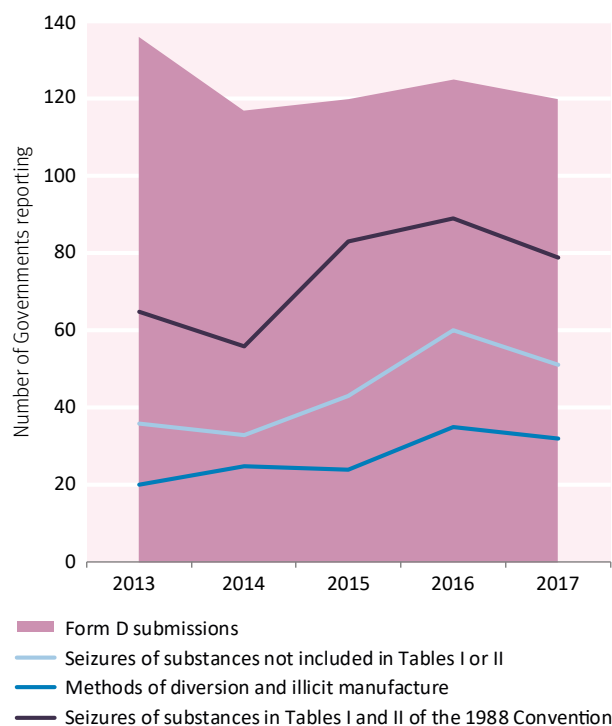
Note: See also annex II.

^aGovernment that failed to submit form D for any year during the period 2013–2017.

^bGovernment that has never submitted form D.

27 per cent). **INCB therefore urges all Governments that have effected seizures to collect and report that additional information, which is essential for determining emerging trends in trafficking in precursors and the underlying weaknesses in control measures. That knowledge, in turn, is essential for preventing future diversions worldwide.**

Figure I. Completeness of form D submissions by States parties to the 1988 Convention, 2013–2017



17. On form D for 2017, 14 Governments reported more than 200 stopped shipments, involving 15 chemicals in Table I and Table II. China reported having stopped 171 shipments totalling 67,500 tons of precursor chemicals.⁸ The majority of the shipments reported to INCB were stopped for administrative reasons. The stopped shipments that were actual diversion attempts are discussed in the relevant subsections of chapter III below. **INCB encourages Governments to ensure that stopped diversion attempts receive the same investigative attention that would be afforded to a seizure of the same substance, since such cases provide valuable intelligence that, if shared internationally, could prevent diversion elsewhere.**

D. Legislation and control measures

18. Establishing and strengthening appropriate national control measures constitutes the basis for effective monitoring of the movement of precursors both in international trade and domestic distribution. During the reporting period, the following changes in control measures have come to the attention of INCB.

19. In December 2017, the Government of the United Republic of Tanzania amended legislation to extend the

⁸China, *National Narcotics Control Commission, Annual Report on Drug Control in China 2018* (Beijing, 2018), p. 28.

powers of the Drug Control and Enforcement Authority to drug trafficking, including offences related to the diversion and illegal possession of precursors.

20. China scheduled five precursor chemicals in 2017, namely NPP, ANPP, bromine, 1-phenyl-1-propanone and chloroephedrine. The controls became effective on 1 February 2018. In addition, China issued a circular entitled “Strengthening the management of hydrogen cylinders and strictly preventing their diversion into drug manufacturing channels”.

21. The Russian Federation made a number of amendments to its catalogues of controlled precursors in decree No. 334 of 29 March 2018, effective 27 September 2018. Specifically, diphenylacetonitrile, a methadone precursor, was rescheduled from table III to table II of catalogue IV; NPP, ANPP and a few other precursors of fentanyl and fentanyl analogues were added to table I of catalogue IV; and thresholds for 1-phenyl-2-nitropropene, a pre-precursor of amphetamine and P-2-P, were removed.

22. On 19 June 2018, the Parliament of Botswana passed the Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 2018, which, among other things, provides the legal basis for the establishment of a drug enforcement agency and aligns national legislation with the 1988 Convention. The Act entered into force on 29 June 2018.

23. Effective 13 August 2018, Argentina placed a number of precursors under national control or surveillance, including NPP and ANPP; methamphetamine precursors and reagents, namely esters of phenylacetic acid, APAA, chloroephedrine, chloropseudoephedrine, nitromethane and red phosphorous; ergocristine, a possible precursor of lysergic acid diethylamide (LSD); and the MDMA pre-precursor 3,4-MDP-2-P methyl glycidate. All were placed on list I. Argentina reclassified toluene and hydriodic acid as list I substances, and placed sodium bicarbonate and potassium and sodium cyanide under surveillance.

24. Some countries informed the Board of amendments to their national legislations relating to other chemicals recently added to Table I of the 1988 Convention, namely ANPP and NPP, whose scheduling became effective on 18 October 2017, and APAAN, whose scheduling became effective on 9 October 2014. In many cases, contrary to the Convention, the amendments in question were made well after the effective dates.⁹ As at 1 November 2018, as far as the Board is aware, NPP and ANPP are under national

⁹Pursuant to article 12, paragraph 6, of the 1988 Convention, a decision to include a chemical in the tables of that Convention becomes fully effective with respect to each party 180 days after the date of communication by the Secretary-General.

control in some 60 countries, more than a year after international controls became effective. **Therefore, the Board urges all Governments that have not already done so to introduce the required controls, and to inform it accordingly.**

25. In accordance with resolution 1992/29 of the Economic and Social Council, information on the systems of authorization Governments apply to the import and export of the substances in Table I and Table II of the 1988 Convention, as well as control measures applied to additional chemicals under national control, is available as part of the Board’s information package on the control of precursors, which competent national authorities can access on the Board’s secure website. To ensure that the INCB information package on the control of precursors is up to date at all times, **INCB encourages all Governments to inform it regularly of relevant changes to their national precursor legislation.**

26. During the reporting period, INCB received several requests for clarification of the scope of controls of the tables of the 1988 Convention. These requests related to (a) mixtures containing substances in Table I and Table II of that Convention, and (b) isotopic variants of substances in those tables. With regard to the control of mixtures, the Board wishes to reiterate its opinion expressed in its report on precursors for 2004,¹⁰ namely that the control measures over substances listed in the tables of the 1988 Convention should also be directly applicable to the following types of mixtures:

(a) Combinations where additional (unscheduled) ingredients are present solely as additives such as preservatives, anti-oxidants or stabilizers;

(b) Simple solutions of scheduled substances in the form of solutions;

(c) Combinations knowingly formulated to circumvent existing controls.

27. Governments are therefore encouraged, where appropriate, to apply the relevant controls to prevent traffickers from making use of mixtures containing substances listed in the tables of the 1988 Convention in the illicit manufacture of drugs.

28. With regard to isotopic variants of internationally controlled precursors, INCB wishes to recall the considerations related to narcotic drugs and psychotropic substances, for which the scope of control is considered to

¹⁰See E/INCB/2004/4, paras. 45 and 46.

extend to all isotopic variants,¹¹ mainly because isotopically pure substances do not exist. Moreover, there is no evidence that isotopic variants of the same narcotic drug or psychotropic substance have different biological properties and, hence, no evidence for differences in their public health effects.

29. In that light, and given that isotopic variants of drugs are manufactured from the corresponding isotopic variants of their precursors, the same considerations apply to precursors, in particular those precursors that, in the manufacturing process, become incorporated, in full or in part, into the molecule of a narcotic drug or psychotropic substance. However, in addressing the issue from a practical standpoint, Governments are encouraged to consider economic aspects, in particular whether it is economically viable to illicitly manufacture drugs from isotopic variants of precursors that differ from the normal compound. Such considerations may apply, in particular, to solvents.

Action taken by Member States to implement the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem

30. In the report on action taken by Member States to implement the Political Declaration and Plan of Action on International Cooperation towards an Integrated and Balanced Strategy to Counter the World Drug Problem,¹² between 97 and 100 per cent of all responding Member States self-reported their active engagement in precursor control, the highest rate for any supply reduction activity.

31. That includes activities such as compiling lists of national companies authorized to manufacture, distribute and trade in precursors; the adoption of new measures with the collaboration of the industries concerned (e.g., disseminating lists of controlled substances to companies, establishing a code of conduct and developing guidelines for operators, and enacting legislation requiring companies to report transactions involving controlled substances); and post-seizure investigations to track the origin and conduct controlled deliveries of precursors.

32. Meanwhile, the proportion of Member States reporting that existing international cooperation in the control of precursors adequately met the requirements increased

¹¹Multilingual Dictionary of Narcotic Drugs and Psychotropic Substances under International Control (United Nations publication, Sales No. M.06.XI.16), pp. xviii and xvix.

¹²E/CN.7/2018/6.

from 85 to 93 per cent in the course of the several reporting cycles. Government reports specifically highlighted the utilization of the PEN Online system, which 98 per cent of responding Member States reported using in 2016, up from 86 per cent in the period 2010–2011. Between 45 and 50 per cent of the responding Member States reported taking measures to counter the use of substitute chemicals during the four cycles. However, such measures primarily consisted of placing new substances under national control.

E. Submission of data on licit trade in, uses of and requirements for precursors

33. In accordance with Economic and Social Council resolution 1995/20, INCB requests Governments to voluntarily provide data on licit trade in, uses of and requirements for substances listed in Table I and Table II of the 1988 Convention. Such data greatly enhance the ability of INCB and Governments to monitor regular trade, understand its underlying patterns, identify suspicious activity and prevent diversion.

34. As at 1 November 2018, the Governments of 115 States parties had reported data on the licit movement of substances included in Table I or Table II of the 1988 Convention and 109 Governments had furnished data on the licit uses of and/or requirements for one or more of those substances (see annex IV). **INCB wishes to thank all Governments that submitted form D and also furnished data on the licit movement of substances included in Table I or Table II of the 1988 Convention.**

F. Annual legitimate requirements for imports of precursors of amphetamine-type stimulants

35. In its resolution 49/3, the Commission on Narcotic Drugs requested Member States to provide INCB with annual estimates of their legitimate requirements for 3,4-MDP-2-P, pseudoephedrine, ephedrine and P-2-P and, to the extent possible, estimated requirements for imports of preparations containing those substances.

36. The estimated annual legitimate requirements for those substances, as reported by Governments and published by the Board, are available in annex V to the present report. Regular updates of the annual legitimate requirements are available on the website of the Board. By 1 November 2018, 166 Governments had provided at least one such estimate.

37. INCB and exporting countries use these estimates to put the size of proposed shipments of these substances into context. Often, estimates of annual legitimate requirements are the very first – and sometimes the only – tangible point of reference to assess the legitimacy of a proposed import.

38. INCB has, in past reports, requested Governments to ensure that the estimated annual legitimate requirements always reflect the most recent market conditions. On form D for 2017, more than 80 Governments reconfirmed or updated their estimates. However, a number of other Governments worldwide have not done so, some for several years. **INCB therefore again invites Governments to assess their annual legitimate requirements for individual precursors, to review their requirements as published on the Board's website and to inform the Board of any necessary changes. Such changes can be communicated to the Board throughout the year.**

39. INCB is concerned that there are still countries that have never submitted any estimates of their annual legitimate requirements, even though exporting countries have been notifying shipments to them through the PEN Online system, sometimes for substantial amounts. Countries where this discrepancy is apparent include Burundi, the Congo, Kuwait and the former Yugoslav Republic of Macedonia.

40. INCB has regularly requested Governments to inform it of methodologies that they have found useful in preparing estimates of their annual legitimate requirements for precursors. In 2017, in Nigeria, the National Agency for Food and Drug Administration and Control published national guidelines on the estimation of psychotropic substances and precursors. These guidelines outline steps and processes for all national stakeholders to follow so as to ensure that the assessment of the country's needs for psychotropic substances is realistic.

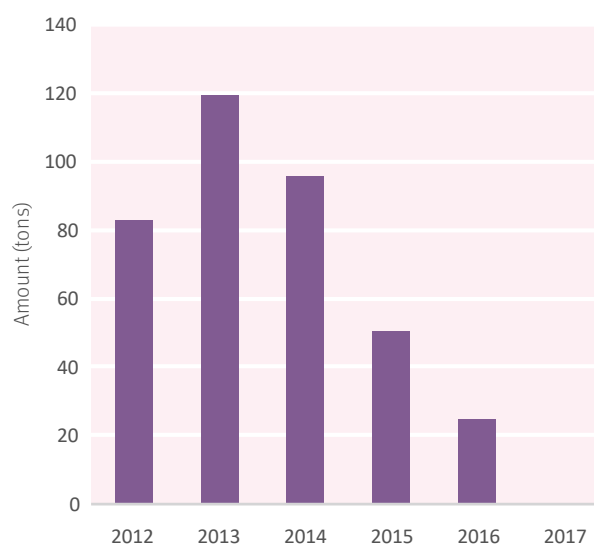
41. INCB is in the process of clarifying the proposed significant revisions of estimates provided by a number of countries, in particular with regard to ephedrine and pseudoephedrine and their preparations. The countries in question include Afghanistan, India, South Africa and Thailand.

42. The relatively high or strongly fluctuating estimated annual legitimate requirements for imports of ephedrine and pseudoephedrine in countries in West Asia remains an issue of concern. On form D for 2017, several countries submitted further increases in estimates or reversed past decreases. Those countries included Afghanistan, Iran (Islamic Republic of), Jordan, and Turkey. For Jordan,

there is the concern of exports to the Kurdistan region of Iraq (see para. 74 below). The estimates submitted by Afghanistan, in particular those for pseudoephedrine raw material, are to be seen against the backdrop of a limited pharmaceutical industry, as well as of several reports of illicit methamphetamine laboratories in that country. In the Islamic Republic of Iran, both the annual legitimate requirements for the import of pseudoephedrine and actual imports declined significantly over the period 2013–2015, although there have been signs of renewed increases in recent years. **INCB notes that accurate estimates of national needs and related import requirements remain key factors in preventing diversion. INCB encourages the competent authorities of exporting countries to use the published estimates of annual legitimate requirements of importing countries and suspend exports until initial doubts about their legitimacy have been dispelled or actual discrepancies have been removed.**

43. Annual legitimate requirements for the Syrian Arab Republic have not been revised since 2007. For pseudoephedrine they remain at the 50 tons initially submitted. However, the Government has extended the moratorium on the approval of pseudoephedrine imports for the third time, until the end of 2018.¹³ As in the past, INCB has disseminated information about the moratorium to competent national authorities worldwide. Imports of pseudoephedrine reported by the authorities on form D are shown in figure II.

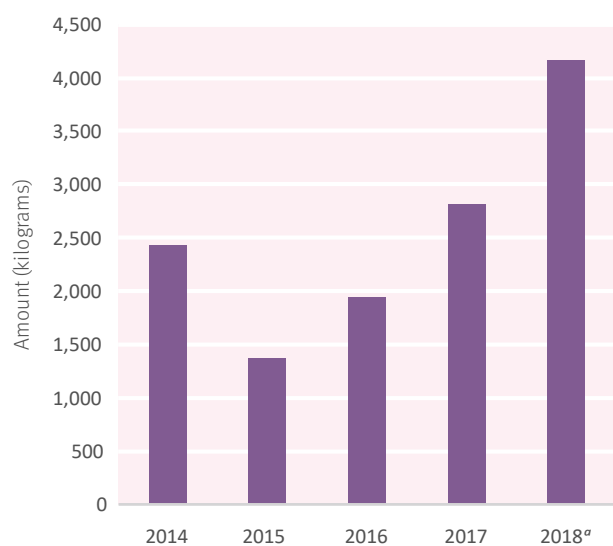
Figure II. Imports of pseudoephedrine reported on form D by the Syrian Arab Republic, 2012–2017



¹³E/INCB/2015/4, para. 71, E/INCB/2016/4, para. 30, and E/INCB/2017/4, para. 54.

44. Yemen is another country for which INCB has noted an increase in proposed pseudoephedrine shipments notified through the PEN Online system since 2015 (see figure III). INCB has encouraged the authorities of exporting countries to be more vigilant with pseudoephedrine shipments to Yemen, within the limits of their responsibility, and to ensure that the pseudoephedrine supply remains adequate while preventing diversion into illicit channels. The estimated annual legitimate requirement of Yemen for imports of pseudoephedrine, which have remained unchanged since 2013, amount to 5 tons, including 2 tons in the form of pharmaceutical preparations.

Figure III. Imports of pseudoephedrine into Yemen notified by exporting countries through the PEN Online system, 2014–2018



*First 10 months of 2018.

G. Pre-export notifications and utilization of the Pre-Export Notification Online system

45. One of the most effective measures to verify the legitimacy of transactions and detect and prevent diversions continues to be the real-time exchange of information between Governments of exporting and importing countries and territories about planned individual shipments of precursors. In that regard, the international precursor control system offers countries two complementary tools: invoking article 12, subparagraph 10 (a), of the 1988 Convention, which makes it mandatory for the exporting country to send pre-export notifications, and registering with the Board's PEN Online system to exchange pre-export notifications online and in real time. Upon receiving pre-export notifications, importing countries can verify the legitimacy of individual transactions and identify suspicious shipments.

1. Pre-export notifications

46. The number of Governments that have invoked article 12, subparagraph 10 (a), of the 1988 Convention continues to grow, albeit slowly. Since the Board's 2017 report on precursors, Bhutan has requested pre-export notifications for all substances in Table I and Table II of the 1988 Convention, thus bringing to 113 the number of Governments that have made use of that provision (see annex VI). However, as noted in past reports, in some regions, in particular Africa and Oceania, a majority of countries leaves it to the discretion of the authorities of exporting countries and territories to inform them of planned shipments of controlled precursors (see figure IV below). **The Board encourages all Governments to invoke their right to be notified of all precursor exports destined for their territory and especially urges Governments that experience difficulties in monitoring imports of controlled chemicals to officially request such notifications.**

2. Pre-Export Notification Online system

47. Governments are encouraged to register with the PEN Online system, the Board's automated online system for exchanging pre-export notifications. By registering, Governments ensure that they receive information in real time about all planned shipments of chemicals destined for their territory before those shipments leave the exporting country.

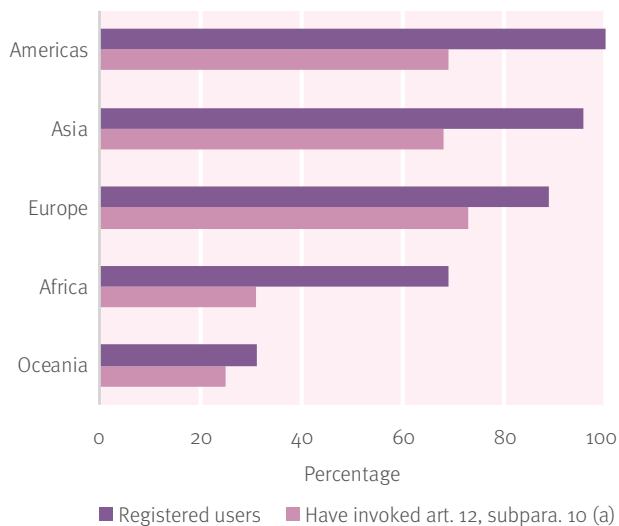
48. As the PEN Online system allows for the immediate analysis of trade data and direct follow-up communication between authorities, it has established itself as the only global system for monitoring international legitimate trade in controlled precursors. Currently, 162 exporting and importing countries and territories are authorized to access the PEN Online system. That number includes Botswana, Cameroon, the Democratic Republic of the Congo, Somalia and Togo, which have been registered since 1 November 2017. **The Board encourages the remaining 35 Governments to register without delay.¹⁴ The Board would once again like to remind Governments that by registering as users of the PEN Online system, they do not automatically invoke article 12, subparagraph 10 (a),**

¹⁴Those countries are: Angola, Antigua and Barbuda, Central African Republic, Comoros, Democratic People's Republic of Korea, Djibouti, Dominica, Equatorial Guinea, Eswatini, Fiji, Gabon, Guinea, Guinea-Bissau, Guyana, Kiribati, Lesotho, Liberia, Malawi, Mauritania, Monaco, Mongolia, Mozambique, Nauru, Niger, Palau, Papua New Guinea, Saint Kitts and Nevis, Samoa, San Marino, Sao Tome and Principe, the former Yugoslav Republic of Macedonia, Tonga, Turkmenistan, Tuvalu, and Vanuatu.

or vice versa. The Board furthermore reminds importing Governments that exporting authorities are not obliged to send pre-export notifications, unless the importing party has officially requested them to do so.

49. In Africa and Oceania, few countries have invoked article 12, subparagraph 10 (a), and few are registered as users of the PEN Online system. While in Europe, Asia and the Americas between 89 and 100 per cent of the countries are registered, in Africa that number is only 69 per cent and in Oceania 31 per cent (see figure IV).

Figure IV. Governments registered as users of the PEN Online system and having invoked article 12, subparagraph 10 (a) of the 1988 Convention, by region, as at 1 November 2018



50. Since the cut-off date for the Board's 2017 report on precursors, more than 35,000 pre-export notifications have been submitted using the PEN Online system. However, monitoring international transactions cannot work as a means to prevent diversion unless those notifications are acted on by the importing countries and any

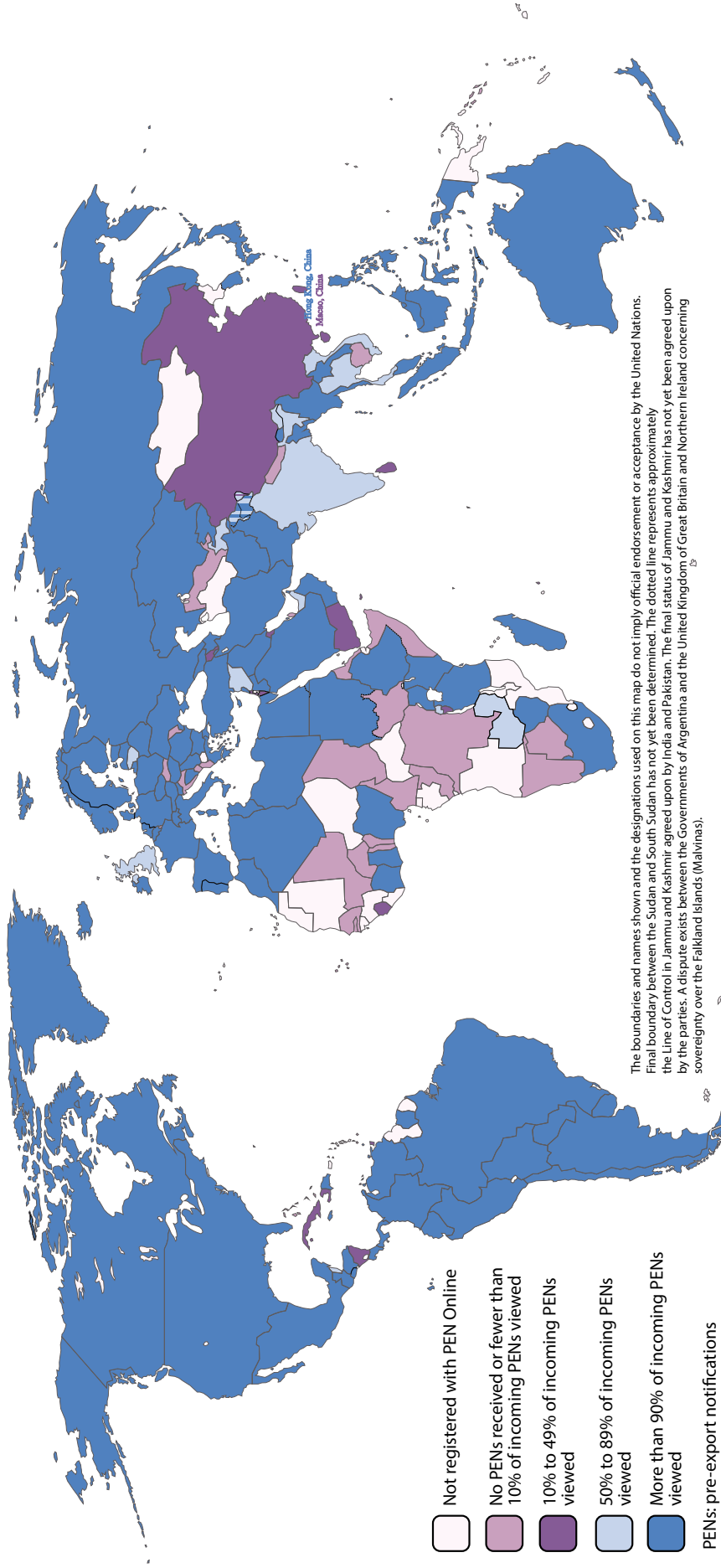
feedback they provide is taken into consideration by the exporting countries.

51. Specifically, the authority of the importing country should examine whether a transaction is legitimate as soon as it receives the pre-export notification in question. The importing authority should give immediate feedback to the exporting country if it objects to the proposed import, or at least well within the response date set by the authority of the exporting country, so as not to impede or delay legitimate trade. A timely response makes it possible to stop an unwanted consignment before it is exported and launch an investigation or arrange a controlled delivery.

52. Over the past few years, an average of about 6 per cent of proposed exports was objected to by the authorities of importing countries. As before, many of those objections were raised for administrative reasons. It is often unclear whether proposed shipments that are objected to are later released or not. To avoid unnecessary administrative objections and delays in shipments, **INCB reiterates its recommendation to share all available details about a planned shipment, including authorization numbers, under the relevant sections of the online pre-export notification form in the PEN Online system.**

53. It is fundamental for the PEN Online system that notifications are submitted on time and that feedback is given. INCB is pleased with the number of registered Governments that view pre-export notifications received through the system. Nonetheless, there is room for improvement in that regard, especially in certain regions (see map 1). **The Board urges importing Governments that have registered with the PEN Online system to make active use of the system for every transaction involving precursors and to respond to the exporting authority in a timely manner. If more time is needed to verify a particular transaction, the competent authority of the importing country should inform the exporting country using the system's conversation tool and ask it to delay the delivery of the shipment pending the outcome.**

Map 1. Active use of the PEN Online system, by percentage of pre-export notifications viewed, 2017



54. Pharmaceutical preparations containing ephedrine or pseudoephedrine remain an issue of concern. That said, a growing number of Governments voluntarily send pre-export notifications regarding such preparations to importing countries. INCB and the Commission on Narcotic Drugs recommend treating those preparations in the same manner as the precursors they contain.¹⁵ In the period 2016–2018, pre-export notifications for pharmaceutical preparations accounted for 65 per cent of the transactions in international trade involving ephedrine and pseudoephedrine (see also para. 73 below). At the same time, imports of pharmaceutical preparations continue to exceed actual needs in some countries and regions. The preparations in question, including those diverted domestically, remain a source of ephedrines used in the illicit manufacture of drugs. In the absence of clear national regulations, competent national authorities sometimes face difficulties objecting to exports, even when those exports are suspicious.

H. Other activities and achievements in international precursor control

1. Project Prism and Project Cohesion

55. Steered by the INCB Precursors Task Force, Project Prism and Project Cohesion continued to serve as the framework for international cooperation in matters related to trafficking in chemicals used in the illicit manufacture of drugs, specifically synthetic drugs (Project Prism) and heroin and cocaine (Project Cohesion). Under those two projects, the success of case cooperation at the operational level critically depends on rapid and direct communication between the authorities concerned. **Therefore, INCB encourages all Governments to review the contact lists available on the secure website and ensure that the details of their focal points for Project Prism and Project Cohesion are up to date. INCB also encourages Governments to participate actively in activities under the two projects, and to provide feedback and timely responses to enquiries by the Board and by other project participants.**¹⁶

56. During the reporting period, the INCB Precursors Task Force coordinated a survey on specialized equipment used in the illicit manufacture of synthetic drugs. The survey was conducted in April and May of 2018 among all

focal points for Project Prism, Project Cohesion and Project Ion. The purpose was to gather recent information about: (a) the types of equipment most frequently encountered in the illicit manufacture, including tableting, of synthetic drugs, precursors and new psychoactive substances; and (b) the legislative basis for authorities' activities directed at equipment within and between countries, and the extent of those activities. The survey was intended to provide a basis for global approaches and measures to counter the unlawful supply of equipment, such as targeted, time-limited operations and other collaborative, global efforts to prevent key materials and equipment from reaching illicit laboratories and to trace their sources to prevent future supplies from those sources. Forty responses were received that provided insights into the numbers and types of equipment incidents in a wide range of countries.

57. A further purpose of the survey on specialized equipment was to explore whether article 13 of the 1988 Convention could be capitalized on as a complementary tool to disrupt the illicit supply of drugs. Article 13 requires Governments to take such measures as they deem appropriate to prevent trade in and the diversion of materials and equipment for illicit production or manufacture of narcotic drugs and psychotropic substances and to cooperate to that end. Given that retail processing operations, such as tableting, often occur closer to consumer markets, away from the countries and regions where the drugs have been illicitly synthesized, the investigation of equipment incidents shows promise as a complementary tool to disrupt the illicit supply of drugs.

58. In April 2018, under Project Cohesion, INCB convened a closed, operational case meeting on trafficking in acetic anhydride. The meeting was attended by case officers from Afghanistan, Pakistan, Poland, the United Arab Emirates and the United Republic of Tanzania, as well as by representatives of the Gulf Cooperation Council and the United Nations Office on Drugs and Crime. The participants identified commonalities between several cases in Africa, the Middle East and Asia. Similar *modi operandi* are still being encountered, suggesting that the criminal organizations behind those cases are still active and attempting to secure supplies of acetic anhydride. The meeting confirmed previously identified deficiencies in national precursor control systems and challenges in operational case cooperation that continued to prevent criminal activities from being investigated and prosecuted to the fullest extent possible (see box 4 below).¹⁷

59. The focal points for Project Prism and Project Cohesion received the second global survey on illicit

¹⁵See, for example, E/INCB/2016/4, para. 72, and Commission on Narcotic Drugs resolution 54/8.

¹⁶A summary of minimum action for international cooperation under Project Prism and Project Cohesion is available in the INCB 2015 report on precursors (E/INCB/2015/4), box 2 (p. 9).

¹⁷E/INCB/2017/4, para. 58.

synthetic opioids and their precursors. It was aimed at gathering updated information on the sources and modi operandi used by traffickers to obtain illicitly manufactured fentanyl and fentanyl analogues, other opioid-type new psychoactive substances and related precursors. The survey had been conducted jointly by the INCB Precursors Task Force and the INCB New Psychoactive Substances Task Force.

60. Communication among focal points for the two projects continued to be supported by PICS on an ongoing basis (see paras. 62–64 below). In addition, as in the past, focal points were being sent special alerts about suspicious shipments, diversions and attempted diversions, newly emerging precursors and other major trends in precursor trafficking. During the reporting period, eight such alerts were issued.

61. The INCB Precursors Task Force met twice in 2018, once in March and once in October, to discuss progress and plan future activities. The Task Force also held a side event during the sixty-first session of the Commission on Narcotic Drugs, at which selected Task Force members gave presentations about flexible approaches to drug precursor control. Those included the “catch-all” provision in force in the European Union, voluntary cooperation with industry in Germany, the experience of the United States of America with regulatory measures to reduce the administrative burden (e.g., the use of thresholds and the practice of excluding transactions), and measures to cope with non-scheduled precursor chemicals in China.

2. Precursors Incident Communication System

62. PICS continues to offer registered users a platform for the real-time exchange of information on incidents involving substances in Table I and Table II of the 1988 Convention and substances not under international control. Incidents include seizures, shipments stopped in transit and dismantled illicit laboratories. A growing number of users enter details about modi operandi and other operationally relevant information in the free text fields of the system. INCB continued to act as moderator and facilitator, establishing direct contact between competent authorities to exchange information on specific incidents and, where sufficient information was available, pointing them to possible links between incidents that appeared to make up isolated cases. As a result, PICS has provided national authorities with leads that enabled them to initiate backtracking investigations and, on several occasions, to conduct further seizures or prevent diversion attempts because details of precursor incidents had been communicated in a timely manner.

63. As at 1 November 2018, PICS had registered users from 109 countries and territories, representing nearly 250 agencies.¹⁸ More than 2,300 incidents had been communicated through PICS since its establishment in 2012. Those incidents involved more than 30 countries and territories each year.

64. As a platform for the global exchange of actionable information, PICS provides a means to profile trafficking cases (see box 1). Actionable information includes routing information (i.e., information about source, transit and destination), company information, relevant documentation and the false names or descriptions used to disguise the identity of the chemicals involved. PICS offers various level of detail. Where available, the information shared may include the type of location where the incident occurred, for example an illicit laboratory or the border, or it may merely refer to a suspicious supply request. The most detailed actionable information that may be shared are the names of the companies involved in the trafficking, the methods of diversion and other modi operandi. In addition to being a platform for profiling trafficking cases, PICS serves as an early-warning mechanism for new non-scheduled precursor chemicals. On average, about 25 per cent of all chemicals mentioned in PICS communications in a given year appeared in the system for the first time.

3. Voluntary cooperation with industry

65. INCB has repeatedly highlighted the central role of public-private partnerships and voluntary cooperation with industry as an effective strategy to confront chemical diversion. This role was also highlighted in the outcome document of the thirtieth special session of the General Assembly on the world drug problem, entitled “Our joint commitment to effectively addressing and countering the world drug problem”, as well as in the available tools, in particular the INCB *Guidelines for a Voluntary Code of Practice for the Chemical Industry*. To facilitate the implementation of the Guidelines, INCB has issued a set of practical notes, a quick guide and a model memorandum of understanding for use by Governments and the chemical industry as a basis to develop or enhance voluntary partnerships. Another important tool in the voluntary cooperation with industry is the INCB limited international special surveillance list of non-scheduled substances, which contains substitute chemicals encountered in illicit markets, and chemical descriptions of series of chemically related substances that can easily be converted into controlled precursors. All these tools are available on

¹⁸Governments that have not yet registered PICS focal points for their national authorities involved in precursor control may request an account by writing to incb.pics@un.org.

Box 1. Use of PICS to profile trafficking in acetic anhydride

Thanks to the gradual growth in both the quantity and the quality of the information communicated through PICS, it is now possible to analyse the *modi operandi* used by traffickers of acetic anhydride. The information indicates that traffickers most often conceal acetic anhydride contraband in second-hand cars and spare car parts. The second most frequently used commodities are various liquids used for the operation and maintenance of motor vehicles, such as motor oils, anti-freeze liquids and windshield cleaners.

In January 2016, Pakistan provided first-time evidence of glacial acetic acid being used, as a cover load or otherwise, to disguise trafficking in acetic anhydride. Since then, several countries, including Afghanistan, Czechia, Iran (Islamic Republic of), the Netherlands, Turkey, the United Arab Emirates and the United Republic of Tanzania, have communicated incidents involving glacial acetic acid alone, acetic anhydride transported along with or declared as glacial acetic acid, or attempts by dubious buyers to purchase both glacial acetic acid and acetic anhydride. **National competent authorities are advised to be vigilant regarding shipments declared as acetic acid or glacial acetic acid, in particular if those shipments are destined for countries in West Asia, and to make efforts to verify the nature of the substance being shipped.**

Afghanistan and the Netherlands are among the most active users of PICS, having shared through the system or other communication channels information about seizures of acetic anhydride on their territories, including pictures of labels found on jerrycans traffickers had used to conceal acetic anhydride. The same labels were then found in other countries, which made it possible to establish links between cases that had previously appeared to be isolated. In one particular case, pictures of a seizure of acetic anhydride were shared in a timely manner, which led to another seizure of a similar shipment. When links between two or more seizures are identified, INCB, in cooperation with the countries that conducted the seizures, disseminates the information to other countries using Project Cohesion alerts.

the secure website of INCB and will be sent to competent national authorities upon request. **INCB would again like to remind Governments that traffickers may approach legitimate industry actors with enquiries about the customized synthesis of non-scheduled chemicals and that those actors need to be alerted to that possibility.**

66. INCB has highlighted for some time that voluntary cooperation should not be limited to the chemical industry, but should extend to manufacturers of pharmaceuticals, flavours and fragrances, fine chemicals and other relevant products alike, as well as to the transportation and distribution sectors, including shipping and courier companies. The Board has also voiced its view that industry should voluntarily report to the authorities any suspicious activity along the supply chain, from enquiries and requests for supplies to actual orders, to enable the authorities to investigate the source of the requests or orders and prevent “company shopping”, i.e., the shifting from one supplier to another. To avoid company shopping across borders, it is important that INCB is alerted as well. These observations apply to both controlled and non-scheduled chemicals.

67. The information INCB has about the level of voluntary partnerships worldwide is incomplete. For example, China has reported that it has checked the activities of 14,000 companies in 2017.¹⁹ Within the European Union, whose legislation provides for cooperation with industry, France and Germany appear to have particularly well-established partnerships. As far as INCB is aware, France is one of the few countries with a partnership that expressly extends to non-scheduled substances.

68. Since 2016, INCB has encouraged the twinning between Governments that have established public-private partnerships and those that wish to develop or enhance such partnerships. **In that regard, the Board commends the cooperation of authorities in France and Switzerland with, for example, the United Republic of Tanzania.**

¹⁹ *Annual Report on Drug Control in China 2018*, p. 28.