

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

A. Scope of control

6. The responsibilities of the Board under article 12 of the 1988 Convention include the assessment of substances for possible inclusion in Table I or Table II, or for rescheduling from one table to another, of the Convention. Furthermore, in accordance with article 12, paragraph 2, of the 1988 Convention, if a party or the Board has any information which, in its opinion, may require the scheduling or rescheduling of a substance in Table I or Table II, it should notify the Secretary-General and furnish him with the information in support of that notification.

Inclusion of three precursors of amphetamine-type stimulants in Table I of the 1988 Convention

7. On 19 March 2019, the Commission on Narcotic Drugs decided, in accordance with the Board's recommendation, to add three precursors of amphetamine-type stimulants to Table I of the 1988 Convention and not to include hydriodic acid in the tables of that Convention. The three substances added to Table I of the 1988 Convention were APAA, 3,4-MDP-2-P methyl glycidic acid, and 3,4-MDP-2-P methyl glycidate, the methyl ester of 3,4-MDP-2-P methyl glycidic acid.

8. As no request to review the decisions of the Commission was submitted to the Economic and Social Council, the scheduling decisions became fully effective on 19 November 2019, 180 days after being communicated by the Secretary-General to the parties. INCB has updated the relevant documentation, including form D and the red list, with information about the three newly scheduled chemicals. The updated documents are available on the website of the Board (www.incb.org).

9. **The Board urges all Governments to introduce the required controls as soon as possible and to inform it accordingly. The Board wishes to remind all Governments that pre-export notifications, as provided for under article 12, subparagraph 10 (a), now apply to any transactions in international trade in the three chemicals.**

Recommendation to include MAPA in Table I of the 1988 Convention

10. Pursuant to its responsibilities under article 12 of the 1988 Convention, INCB also carried out the following activities in 2019:

(a) It submitted a notification to the Secretary-General in May 2019, informing him that it had information at its disposal suggesting the potential need to include MAPA, yet another designer precursor suitable for the illicit manufacture of P-2-P and subsequently amphetamine and methamphetamine, in Table I or Table II of the 1988 Convention;

(b) It concluded its assessment of MAPA in November 2019 and submitted its scheduling recommendation to the Commission on Narcotic Drugs for consideration at its sixty-third session, in March 2020.

11. MAPA is chemically related to APAA and incidents of its use in illicit manufacture have been reported, in particular after the scheduling process for APAA was initiated, in late 2017. Similar to APAA, APAAN and other designer precursors, MAPA does not have any known legitimate use and is therefore not traded widely and regularly, although it is advertised by a number of online suppliers.

12. As with other recently scheduled precursors, MAPA does not currently have a unique Harmonized System (HS) code.³ Nevertheless, if traded legitimately, the applicable HS group code should be used, otherwise any shipment containing MAPA could be considered misdeclared (HS classifications of non-scheduled chemicals used in the illicit manufacture of drugs are available to competent national authorities on a secure page of the INCB website). INCB works with the World Customs Organization to establish unique HS codes. **Until such time as MAPA is assigned a unique HS code, INCB recommends that Governments adopt, on a voluntary basis, interim, discrete codes based on Harmonized System nomenclature.**

B. Adherence to the 1988 Convention

13. As at 1 November 2019, following the accession of Palau on 14 August 2019, the 1988 Convention had been ratified, acceded to or approved by 190 States and formally confirmed by the European Union (extent of competence: article 12). Details on the status of accession by region are provided in annex I. **The Board urges the remaining States in Africa (Equatorial Guinea, Somalia and South Sudan) and**

Oceania (Kiribati, Papua New Guinea, Solomon Islands and Tuvalu) that are not yet parties to the Convention to implement the provisions of article 12 and to become parties to the Convention without further delay.

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

14. Under article 12, paragraph 12, of the 1988 Convention, parties are required to submit annually to INCB information on: (a) the amounts seized of substances included in Tables I and II of that Convention and, when known, their origin; (b) any substance not included in Table I or Table II that is identified as having been used in the illicit manufacture of narcotic drugs or psychotropic substances; and (c) methods of diversion and illicit manufacture. Parties are required to submit the information on the form, known as form D, made available by INCB.⁴ The deadline for submission of the 2018 data was 30 June 2019, although INCB continued to encourage earlier submission (by 30 April) to allow sufficient time for any necessary clarification of the information received.

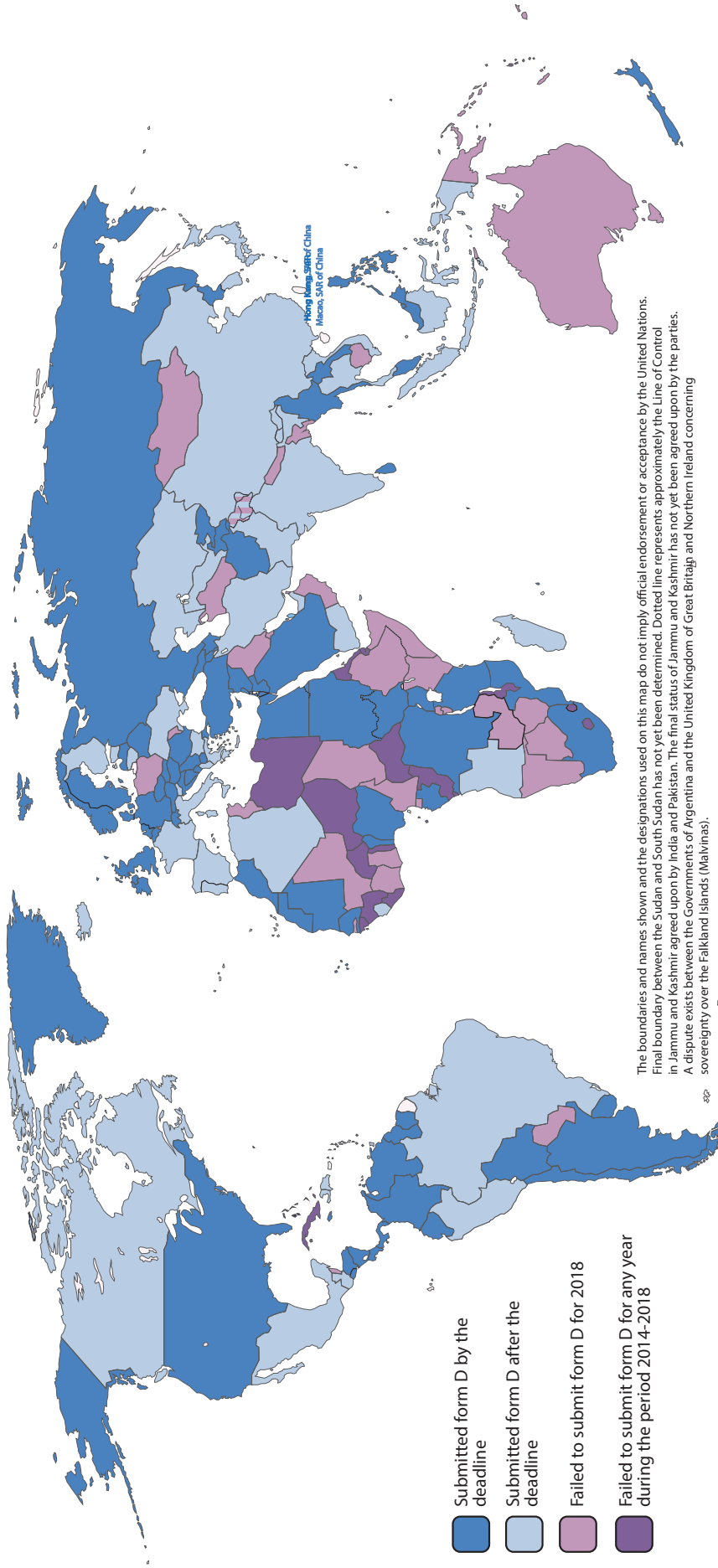
15. As at 1 November 2019, a total of 126 countries and territories had submitted form D for 2018, up from 62 as at 30 June 2019. Both the submission rate as at 30 June and the rate as at the end of the reporting cycle were among the lowest in recent years. Gabon submitted form D for the first time. INCB welcomes the fact that, of the States parties that had failed to submit form D for five years or more, Mauritius, North Macedonia, Sierra Leone, Suriname and Yemen have resumed doing so. Nevertheless, 66 States parties to the 1988 Convention failed to submit form D for 2018. Of those, 32 have not done so for the past five years (see map 1). Viet Nam submitted form D for both the previous reporting cycle (calendar year 2017) and the current reporting cycle. Comprehensive information about the submission of form D by all Governments is included in annex II.

16. In 2019, the Board's analysis of the global precursor situation continued to be affected by the low rate of submission of form D, late submission, the submission of incomplete or entirely blank forms, and the inability of certain Governments to gather information at the national level and consolidate it in a single form. **INCB reiterates its call to Governments to submit form D on time and to make every effort to confirm and provide details of seizures in a timely manner, when so requested by the Board.**

³See World Customs Organization, *Harmonized Commodity Description and Coding System*, 6th ed. (Brussels, 2017).

⁴For the 2018 reporting cycle, INCB introduced an Excel form in an effort to streamline and expedite the reporting process and to minimize the potential for data entry errors. The latest version of form D is available on the INCB website in the six official languages of the United Nations.

Map 1. Submissions of form D for 2018 (as at 1 November 2019)



Note: See also annex II.

17. With regard to the seizures of substances listed in Tables I and II of the 1988 Convention that were effected in 2018, 73 Governments reported mandatory information on the amounts seized (for details on the reported seizures by region, see annex III). Information on the origin of seized substances was rarely provided, although such information is critical for identifying emerging trends and initiating backtracking investigations. In addition, only a few of the submitting Governments supplemented their reports with the additional information required on: (a) seizures of substances not included in Tables I and II and identified as having been used in illicit drug manufacture; (b) methods of diversion and illicit manufacture; and (c) stopped shipments. More often, the information provided was presented in the form of aggregated figures and did not provide sufficient details to enable the Board to identify new and emerging trends in illicit drug manufacture and trafficking in precursors. INCB regrets that, as in the past, only 50 Governments (or 40 per cent of the 126 submitting Governments) provided the required information on seizures of substances not listed in Table I or Table II, and only 28 Governments (or 22 per cent) provided information on methods of diversion and illicit manufacture. **INCB commends those Governments that provided the required information and urges all other Governments to make every effort to collect and report complete information as mandated in article 12, paragraph 12, of the Convention. Only through the sharing of such information can emerging trends in trafficking in precursors be determined and the underlying weaknesses in control systems be identified and successfully addressed. That knowledge, in turn, is essential for preventing future diversions worldwide.**

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. Although there is no reporting requirement to the Board in this regard, since 1 November 2018, the following changes in control measures have come to the attention of INCB.

19. Following seizures of chloroephedrine in the Philippines in 2016, in January 2018, the Dangerous Drugs Board of the Philippines amended the regulations concerning ephedrine and pseudoephedrine by including the isomers and salts of isomers of the two substances, as well as their halogenated and alkylated forms, and reclassifying all those forms and any preparations containing them as dangerous drugs. Furthermore, in February 2018, the Dangerous Drugs Board issued Board resolution No. 5,

series of 2018, on the drafting of guidelines to enhance the control and monitoring of new psychoactive substances and of chemicals considered as substitutes for substances listed in Tables I and II of the 1988 Convention.

20. In December 2018, the Government of Mexico reduced the thresholds for domestic distribution of and international trade (import and export) in acetic anhydride and potassium permanganate, from 1,000 kg to 1 kg.

21. As part of efforts to ensure that drug policy is based on scientific evidence, the Government of Mexico began implementing a drug profiling programme to help determine trends in illicit drug manufacture and the precursors used. Initial results included the identification of a non-scheduled pre-precursor of fentanyl (see also para. 60) and the finding that the same method of synthesis identified in 2009 was still being used for the illicit manufacture of methamphetamine.

22. In April 2019, Serbia amended its existing legislation on precursors. In the same year, the Government also passed a comprehensive set of bylaws concerning precursor control-related procedures, including on licensing, import and export authorizations, and statements concerning the end user of a traded precursor.

23. Effective 1 May 2019, China introduced the group scheduling of fentanyl-related substances. Unlike similar group definitions for fentanyl-related substances in the legislation of other countries, the Chinese legislation also covers a group of substances that could be used as precursors of fentanyls (i.e., the group of benzylfentanyls).

24. In May 2019, the Government of Canada placed three precursors of fentanyl and fentanyl analogues (ANPP, NPP and benzylfentanyl) under national control. All three precursors were listed under an extended scope of control that also included their derivatives and analogues and the salts of those derivatives and analogues. At the same time, the Government extended the scope of control in a similar manner for several precursors already listed in the relevant schedules of the Controlled Drugs and Substances Act of Canada. This applied to 3,4-MDP-2-P and P-2-P, both of which are precursors of amphetamine-type stimulants, and to norfentanyl.

25. The Government of the Netherlands was in the process of amending the Abuse of Chemical Substances Act. Specifically, this involved the compilation of a list of chemicals that are not included in Regulation (EC) No. 273/2004 of the European Parliament and of the European Council, and European Council Regulation (EC) No. 111/2005, and that can be easily converted into a

drug or drug precursor and for which no legitimate industrial uses are known, with a view to prohibiting the possession or transport of such chemicals without a permit. The bill amending the Abuse of Chemical Substances Act was expected to be sent to parliament at the end of 2019. **The Board welcomes the approaches taken by Canada and the Netherlands as means to proactively address the proliferation of chemicals used in illicit drug manufacture. The Board invites both Governments to carefully monitor the implementation of the measures and to share relevant experiences with it so as to encourage other Governments to consider similar innovative and proactive approaches.**

26. The European Union was in the process of amending its precursor legislation by adding a number of designer precursors to its category I list of chemicals. In addition to the chemicals that the Commission on Narcotic Drugs decided to add to Table I of the 1988 Convention, and MAPA, which the Board recommended to be placed under international control in November 2019 (see paras. 7–12), this also included two additional precursors of amphetamine and methamphetamine, namely, P-2-P methyl glycidic acid and its methyl ester. The amended legislation was expected to enter into force in the first half of 2020. **The Board welcomes the scheduling of derivatives of P-2-P methyl glycidic acid in Europe, the region most affected by their illicit use, and will closely examine the impact of this regional scheduling on the extent of use of these chemicals in the manufacture of illicit amphetamine and methamphetamine, with a view to determining whether there is still a need for global action.**

27. In response to encountering new fentanyl pre-precursors (see para. 219), the Government of the United States of America initiated a process to nationally control such chemicals, namely 4-AP, including some of its “chemically protected” derivatives, as well as benzylfentanyl and norfentanyl.

28. Effective 26 November 2019, by its Decree No. 593/2019, Argentina improved the administrative controls related to the licit use of precursors and updated the list of chemicals under national control. Butyl alcohol and sodium nitrite, which can be used for the illicit manufacture of alkyl nitrite inhalants, were placed under surveillance.

29. The Inter-American Drug Abuse Control Commission amended its model legislation in November 2019 to, inter alia, address non-scheduled chemicals, including designer precursors.

30. Over the last few years, the Government of Colombia conducted a series of technical studies to shed light on the

sources of chemicals used in illicit cocaine processing. The results show that the supply of such chemicals is mainly fed by diversion from legitimate domestic industry or by illicit manufacture. The Government has identified a number of priority actions that are to be pursued over the next few years. They include enhancing public-private partnerships, investing in financial intelligence, enhancing national cooperation, in particular between regulatory and customs authorities, and a greater focus on regulating transport, foreign trade activities and the obtaining of natural resources that constitute fundamental chemical inputs, as well as interventions at the level of national movements of controlled substances, so as to prevent chemical precursors from reaching the main illicit manufacturing areas, including by using real-time mapping mechanisms. **The Board welcomes these activities and encourages the Government of Colombia to share relevant findings, lessons learned and successful approaches with the Board and through other existing cooperation mechanisms, such as the Inter-American Drug Abuse Control Commission, so as to support similar action by other countries concerned.**

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

Measures at the international level to address the proliferation of non-scheduled chemicals, including designer precursors

32. In its 2018 report on precursors, the Board drew attention to the need to address the proliferation of non-scheduled chemicals and designer precursors that are chemically closely related with each other and with a controlled chemical. The Board noted that many of these chemicals have no known legitimate use and are often designed specifically to circumvent existing legislation.

33. To advance the discussion and assist Governments in preventing designer precursors from reaching illicit laboratories, in 2019, the Board conducted the activities described below.

Limited international special surveillance list of non-scheduled substances

34. The limited international special surveillance list of non-scheduled substances was updated to include a non-scheduled fentanyl pre-precursor and two non-scheduled precursors of amphetamine-type stimulants, expand on the extended (“generic”) definitions that capture derivatives, intermediates and other chemicals closely related to controlled precursors, and provide examples of chemicals already being used in the illicit manufacture of amphetamine-type stimulants, fentanyl and fentanyl-related substances. In addition, the updated list highlights those chemicals which do not have any known legitimate uses. The updated list is included as part of the information package on precursor control available on the Board’s secure website. **INCB encourages competent national authorities to make full use of the international special surveillance list and alert relevant sectors of industry to the possible misuse in illicit drug manufacture of chemicals on the list.**

Policy discussion during the sixty-second session of the Commission on Narcotic Drugs

35. In response to the Board’s call for a policy discussion on options to address the proliferation of non-scheduled chemicals and designer precursors at the international level, the Commission on Narcotic Drugs, at its sixty-second session, devoted some time to the subject. Following an opening statement by the President of INCB, speakers shared information on domestic approaches and expressed their agreement with the Board’s assessment of the situation and the need for a broader discussion. As a result, an item on the topic will be on the agenda for subsequent sessions of the Commission, starting in March 2020.

Circular letter: measures to address the use of non-scheduled chemicals in illicit drug manufacture

36. In March 2019, a circular letter was sent to all Governments to enquire about the different national approaches and regulatory and law enforcement measures that are currently being taken to address the use of non-scheduled chemicals in illicit drug manufacture, including their level of implementation and related challenges, experiences and lessons learned. The Board would like to acknowledge the responses of 62 Governments that provided details on their existing legislative frameworks and the means and extent to which they are able to cooperate and exchange information and intelligence with counterparts abroad, as well as other relevant innovative approaches.

37. It is clear that emerging chemicals that are not under national control pose challenges for Governments. The challenges range from limitations on the extent to which such cases can be investigated and the type of sanctions that can be applied, to difficulties in identifying and establishing voluntary cooperation mechanisms with relevant operating partners and companies. **INCB therefore encourages all Governments to share successful national approaches to addressing the challenges associated with non-scheduled chemicals and designer precursors.**

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

38. 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 Tables I and II of the 1988 Convention. Such data greatly enhance the ability of INCB and Governments to understand the underlying patterns of regular trade, identify suspicious activity and prevent diversion.

39. As at 1 November 2019, the Governments of 115 countries and territories had submitted 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). The total figures for both data sets are lower than in previous years. **INCB wishes to thank all Governments that furnished data on the licit movement of substances included in Table I or Table II of the 1988 Convention, which provide the Board with a means to identify weaknesses in precursor control and international cooperation to that end.**

40. For example, according to information on licit trade provided on form D for 2018, the Governments of China, Ecuador, Myanmar, Nigeria, the Republic of Korea and the United States – each of which requires pre-export notification for shipments of acetic anhydride – reported having received shipments of acetic anhydride from China, India, the Republic of Korea, Saudi Arabia and/or Thailand.⁵ However, those shipments were not pre-notified by means of the PEN Online system by the authorities of the respective exporting countries, making it difficult to monitor the supply chain. In addition, the Board notes that Saudi Arabia has not yet used the PEN Online system

⁵On the basis of information provided by importing countries on form D, INCB is also aware of significant exports of acetic anhydride and ephedrine from Taiwan Province of China.

for any export. **The Board therefore reminds Governments of exporting countries of their obligation under article 12 of the 1988 Convention to provide notification regarding exports of chemicals before such exports depart from their territory. Using the PEN Online system is the most efficient and effective way to provide such notification.**

41. Another example is the monitoring of trade in ephedrine, pseudoephedrine and other controlled precursors in the form of pharmaceutical preparations, as the latter are not under international control and the sending of pre-export notifications for such preparations, although highly recommended,⁶ is not mandatory. **The Board commends the 30 Governments, namely, those of Australia, Yemen and the 28 States members of the European Union, that require the sending of pre-export notifications to the authorities of importing countries prior to a proposed export of preparations, as well as the 24 Governments that requested to be notified prior to a shipment to their territory and/or that apply another system of authorization to imports of preparations, as such measures help to maintain a closed loop of monitoring.**

42. Additionally, INCB commends Governments that voluntarily report on trade in ephedrine in any form, as such information serves to ensure a comprehensive picture of global trade and the potential for diversion. **INCB wishes to reiterate its view on the importance of gathering information and hard evidence to prove any diversion and actual use of a particular pharmaceutical product in the illicit manufacture of drugs, so as to provide the authorities of the countries concerned with a factual basis for denying shipments of such products.**

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

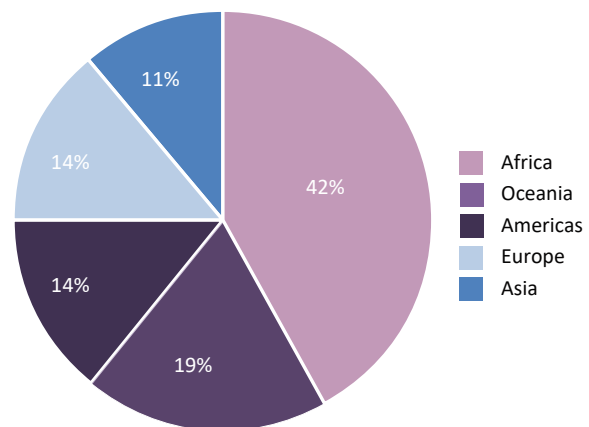
43. In the light of widespread illicit manufacture and abuse of amphetamine-type stimulants since the mid-1990s, the Commission on Narcotic Drugs, in its resolution 49/3, requested Member States to provide to INCB estimates of their annual legitimate requirements for precursors of four amphetamine-type stimulants, namely, 3,4-MDP-2-P, pseudoephedrine, ephedrine and P-2-P, and, to the extent possible, estimated requirements for preparations containing those substances. Since then, the Board has compiled those estimates, which are used by INCB and exporting countries to put the size of proposed shipments of these

⁶See, for example, resolution 54/8 of the Commission on Narcotic Drugs.

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. The estimates are presented in annex V to the present report. Regular updates are available on the INCB website.

44. As at 1 November 2019, 169 Governments had provided at least one such estimate. This figure includes the Governments of Sierra Leone, South Sudan and Suriname, which submitted their estimates for the first time. It also includes a number of territories and States that are not yet parties to the 1988 Convention. However, there are still 36 States parties to the Convention that have not yet provided any estimates. Of those, 42 per cent are in Africa; 19 per cent in Oceania; 14 per cent in the Americas; 14 per cent in Europe, and 11 per cent in Asia (see figure I).

Figure I. Percentage of States parties that have not yet provided, pursuant to Commission on Narcotic Drugs resolution 49/3, any estimated annual legitimate requirements for precursors of amphetamine-type stimulants, by region, 2019



45. On form D for 2018, more than 95 Governments reconfirmed or updated their estimated annual legitimate requirements. However, there are still Governments worldwide that have never updated their requirements or have not updated them for several years. Forty-six per cent of those are in Africa. **INCB recommends that Governments review their annual legitimate requirements for individual precursors at least once a year and inform the Board of any necessary changes. Such changes can be communicated to the Board on form D by the deadline or by official correspondence at any time during the year.**

46. INCB continues to be concerned about the number of regions with comparatively high estimated annual legitimate requirements for, and sometimes also comparatively high imports of, ephedrine, yet the Board has not been able to fully determine the end uses of these substances in such large quantities in the countries concerned or, if the shipments are destined for export, in the countries of destination. This applies in particular to countries in Africa (see paras. 87–88) and West Asia. Since the Board's previous report on precursors, significant increases in estimated requirements for ephedrine and/or pseudoephedrine have been reported by Bolivia (Plurinational State of), Bosnia and Herzegovina, Chile, Greece, the Republic of Korea, Saudi Arabia, the Sudan and Uganda. Notable decreases in estimated requirements, typically for pseudoephedrine as a raw material, were reported by Afghanistan; Argentina; France; Hong Kong, China; Israel; the Lao People's Democratic Republic; Romania; and Turkey. INCB is in the process of clarifying relevant significant revisions of estimates with the Governments concerned.

47. Over the last two years, the Board has made the following additional observations in relation to requirements for ephedrine and/or pseudoephedrine:

(a) Several proposed shipments of notable size were destined for countries that had never estimated their needs for the substances;

(b) In some cases, proposed imports exceeded estimated needs; conversely, some Governments had built in substantial safety margins by making estimates of requirements that were far higher than actual imports;

(c) Major increases in estimated annual legitimate requirements have sometimes been justified by the need to meet the demand of a new customer within the country, or even abroad (re-export) (see box 1).

48. INCB reiterates that, although the submission of estimated annual legitimate requirements to the Board is voluntary, knowledge of national needs for precursors, and related import requirements, remain key factors in preventing diversion. Therefore, **INCB reiterates its recommendation that importing Governments regularly assess their annual legitimate requirements for individual precursors to ensure that they always reflect the most recent market conditions. Furthermore, INCB encourages the competent authorities of exporting countries to use the published estimates of importing countries and suspend exports until initial doubts about their legitimacy have been dispelled or actual discrepancies have been resolved.**

49. Information on methodologies to establish estimated annual legitimate requirements is available in the *Guide on Estimating Requirements for Substances under International Control*, developed by INCB and the World Health Organization, as well as in the document entitled "Issues that Governments may consider when determining annual legitimate requirements for ephedrine and pseudoephedrine".⁷ **INCB continues to encourage Governments to develop tailored approaches and methodologies and to inform it of those that they have found useful in preparing estimates of their annual legitimate requirements for precursors.**

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

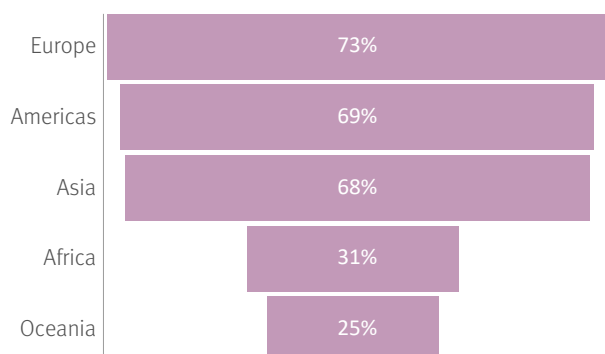
50. One of the most effective measures to identify suspicious transactions and prevent diversions continues to be the real-time exchange of information between Governments of exporting and importing countries and territories about planned individual shipments of precursors. In that regard, the international 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

51. As at 1 November 2019, 113 States and territories had formally requested pre-export notifications pursuant to article 12, subparagraph 10 (a), of the 1988 Convention, a number that has remained unchanged since the Board's 2018 report on precursors (see annex VI). By region, the percentage of countries that had invoked article 12, subparagraph 10 (a), were as follows: Europe, 73 per cent; the Americas, 69 per cent; Asia, 68 per cent; Africa, 31 per cent; and Oceania, 25 per cent (see figure II). In some regions, in particular Africa and Oceania, Governments have continued to leave it to the discretion of the authorities of exporting countries and territories to inform them of planned shipments of controlled precursors. **The Board encourages Governments that have not yet done so to invoke their right to be pre-notified of all precursor exports destined for their territory.**

⁷Both documents are available on the INCB website.

Figure II. Percentage of countries that invoked article 12, subparagraph 10 (a), of the 1988 Convention, by region, 2019



2. Pre-Export Notification Online system

52. PEN Online, the Board's automated online system for exchanging pre-export notifications, launched in March 2006, ensures that Governments receive real-time information about all planned shipments of chemicals destined for their territory. The receipt of such pre-export notifications enables importing Governments to verify in a timely manner the legitimacy of individual shipments in international trade in precursors, to identify suspicious transactions and to prevent diversion into illicit channels.

53. Registration for the PEN Online system has continued steadily. As at 1 November 2019, 164 exporting and importing countries and territories had been authorized to access the system. That number includes Angola and North Macedonia, which have been registered since 1 November 2018. **The Board encourages the remaining 33 Governments that have not yet registered as users of the PEN Online system to do so without delay.**⁸

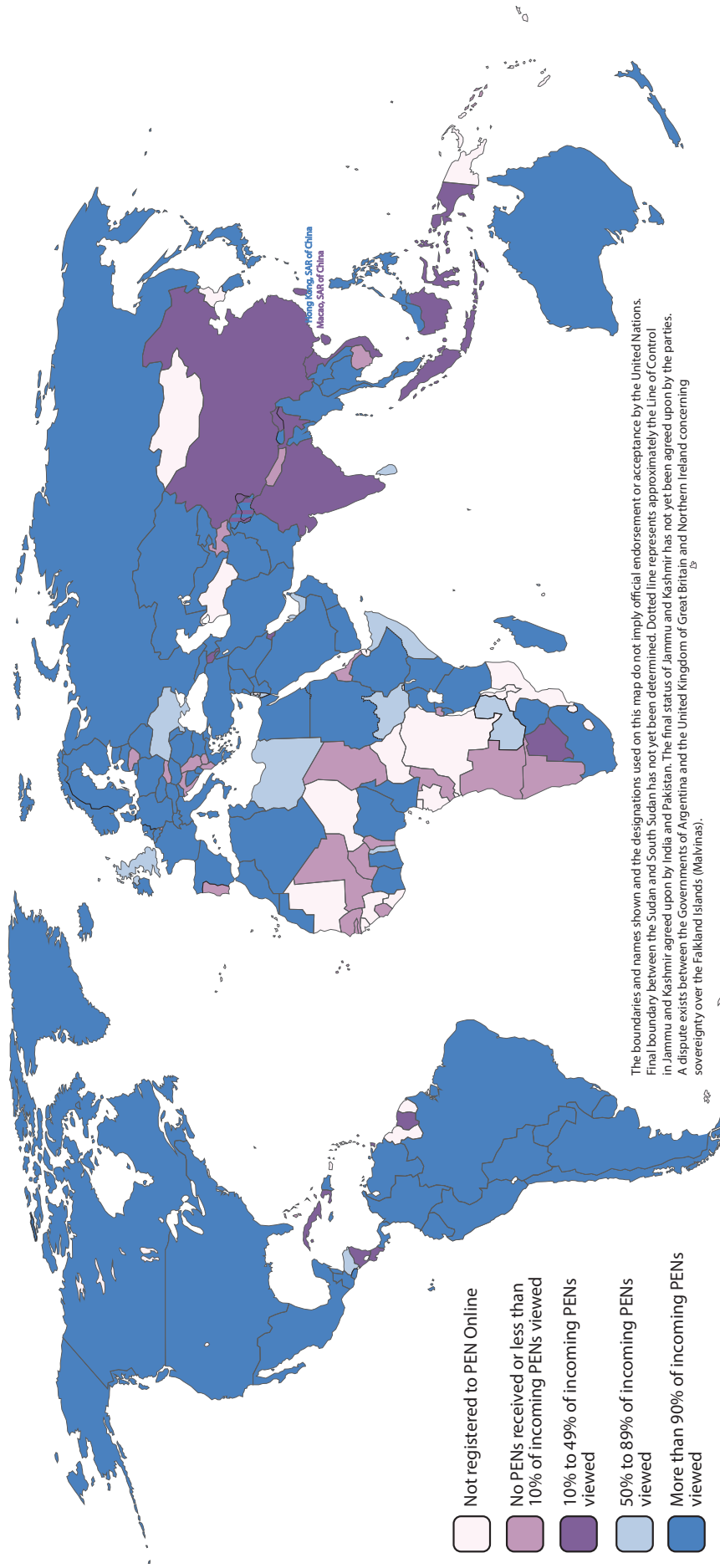
⁸Those countries are: Antigua and Barbuda, Central African Republic, Comoros, Democratic People's Republic of Korea, Djibouti, Dominica, Equatorial Guinea, Eswatini, Fiji, Gabon, Guinea, Guinea-Bissau, Guyana, Kiribati, Lesotho, Liberia, Malawi, Mauritania, Monaco, Mongolia, Mozambique, Nauru, Niger, Palau, Papua New Guinea, Saint Kitts and Nevis, Samoa, San Marino, Sao Tome and Principe, Tonga, Turkmenistan, Tuvalu and Vanuatu.

54. Africa and Oceania remain two regions of concern. The low percentage of Governments in those regions that have invoked article 12, subparagraph 10 (a), and that have thus officially requested to receive pre-export notifications, make them prone to traffickers' diversion attempts. Countries, in particular, non-traditional trading countries, where a systematic precursor control mechanism is non-existent or weak, are at a greater risk of being targeted by traffickers. **In this regard, INCB wishes to point out that only an established control mechanism will place Governments in a position to comply with their treaty obligations under the 1988 Convention. The Board furthermore draws the attention of Governments to, and urges them to review, the minimum action for international trade monitoring through the PEN Online system, summarized in its 2015 report on precursors.**⁹

55. Since the cut-off date for the Board's 2018 report on precursors, more than 35,000 pre-export notifications have been submitted through the PEN Online system. Although the Board is generally pleased with the number of registered Governments and the number of those that view and respond to pre-export notifications received through the system, it is still concerned about the remaining number of importing Governments (approximately 30 per cent of the total) that very rarely or never view any notifications, despite having officially requested to be pre-notified (see map 2). Since the previous reporting period, users of the system in Uzbekistan and Yemen have been among those that have utilized the system more actively to view pre-export notifications. By contrast, INCB has noted a decrease in activity by users in, among other countries, India, Indonesia, Nicaragua, Rwanda, Sierra Leone, Suriname and Viet Nam. Therefore, **INCB reiterates its recommendation to importing Governments that are registered as users of the PEN Online system to make active use of the system for all transactions involving precursors and to respond to exporting authorities in a timely manner where necessary.**

⁹E/INCB/2015/4, box 1.

Map 2. Use of the PEN Online system, by percentage of pre-export notifications viewed, 2019



56. Less than 6 per cent of proposed exports were objected to during the reporting period, similar to previous years. Although many of those objections were raised for administrative reasons, it was noted that many of the shipments that were objected to had subsequently been permitted to be released by the importing authorities. This might be due to the fact that, in many cases, importing Governments convey their objections too rapidly, before having concluded their process of verifying the legitimacy of the respective shipment. **The Board therefore recommends that competent authorities utilize the online conversation tool available in the PEN Online system to communicate to the trading partner any issues regarding a specific shipment and to only use the “objection” or “non-objection” function to convey the importing authority’s final decision, in order to avoid confusion among exporting Governments.**

57. Parties are obliged under article 12, paragraph 9, of the 1988 Convention to notify, as soon as possible, the competent authorities of the Parties concerned if there is reason to believe that the import, export or transit of a substance listed in Table I or Table II is destined for the illicit manufacture of narcotic drugs or psychotropic substances. While the authorities of importing countries and territories may do so by objecting to a proposed import or communicating any issues regarding a specific shipment through the PEN Online communication tool, **the Board also encourages exporting countries to systematically use the PEN Online system to provide notification of shipments even in cases where they have concerns about their legitimacy, and if they do so, to clearly indicate that the shipments will not proceed unless the authorities of the importing country or territory indicate their explicit approval.**

H. Other activities and achievements in international precursor control

1. Project Prism and Project Cohesion

58. Project Prism and Project Cohesion are the two international initiatives led by INCB that bring together operational focal points worldwide to address the diversion of chemicals used in the illicit manufacture of synthetic drugs (Project Prism), and heroin and cocaine (Project Cohesion).

59. In 2019, more than 75 Governments reviewed and updated their nominations of focal points for the two initiatives, bringing the number of countries and territories that have nominated at least one operational focal point to 144 for Project Prism and 112 for Project Cohesion. **To ensure**

that the contact details of the focal points remain up to date, INCB encourages all Governments to regularly review the focal point lists available on the Board’s secure website and inform it of any changes in a timely manner.

60. Multilateral mechanisms established under Project Prism and Project Cohesion and steered by the INCB Precursors Task Force¹⁰ have brought about identifiable results. Participating Governments have provided and received information on emerging trafficking trends, identified *modi operandi* and exchanged data on activities related to the diversion of precursors and non-scheduled chemicals. The Board continued to assist those Governments on a regular basis by serving as a focal point for the exchange of such information,¹¹ including through PICS (see sect. 2 below) and through the dissemination of special alerts, as required. During the reporting period, three special alerts were circulated to all participating Governments informing them about a fentanyl pre-precursor and a precursor of ANPP, about the extension of the ban on issuing import authorizations for pseudoephedrine in the Syrian Arab Republic, and about a suspicious exporting address associated with consignments of new psychoactive substances, fentanyls and precursors.

61. Following a limited survey in 2018 on specialized equipment used in the illicit manufacture of drugs, which provided an overview of the types of equipment most widely encountered, in 2019, a tailored intelligence-gathering activity on the types and sources of tableting and encapsulating machines used for illicit drug manufacture was conducted jointly with Project Ion (which focuses on new psychoactive substances) and the Board’s Operational Partnerships to Interdict Opioids’ Illicit Distribution and Sales (OPIOIDS) Project. The activity was conducted in connection with the greater focus the Board has started to place on article 13 of the 1988 Convention, to complement its work under article 12, with the aim of disrupting illicit drug manufacture (see also chapter IV). **INCB wishes to thank the Governments that cooperated with it on matters relating to article 13 and encourages Governments to continue to participate actively in activities under Project Prism and Project Cohesion and to provide feedback and timely responses to related enquiries by the Board and other project focal points.**

¹⁰The current members of the INCB Precursors Task Force are Australia, China, Colombia, France, Germany, India, Mexico, the Netherlands, Nigeria, the Russian Federation, South Africa, Switzerland, Turkey, and the United States, supported by INCB, the International Criminal Police Organization (INTERPOL), the World Customs Organization, the European Commission and the Inter-American Drug Control Commission.

¹¹A summary of the minimum action needed for international multilateral cooperation under Project Prism and Project Cohesion is available in the INCB 2015 report on precursors (E/INCB/2015/4), box 2 (p. 9).

62. In 2019, in the framework of Project Cohesion, several operational meetings and informal consultations were held on the subject of trafficking in acetic anhydride and other precursors of heroin. The events brought together case officers from countries in Europe and West Asia that have been affected by recent cases of diversion and trafficking. For example, consultations with the competent national authorities of the United Arab Emirates focused on issues relating to operational case cooperation and information exchange and/or issues of specific interest, such as the review of procedures involved in the physical inspection of shipments and investigations into suspected diversions of and trafficking in precursors in or through free-trade zones. Furthermore, experts from regulatory, law enforcement and judiciary authorities in the Islamic Republic of Iran reviewed recent cases of diversion and trafficking in precursors of heroin, including acetyl chloride, and analysed practical solutions for investigations of suspected diversion attempts involving legitimate online trading platforms.

63. The INCB Precursors Task Force met twice in 2019, in March and in October, to discuss progress and plan future activities.

2. Precursors Incident Communication System

64. PICS continued to facilitate global operational cooperation in precursor-related matters by offering registered users a platform for the real-time exchange of information on seizures and other incidents, such as shipments stopped in transit, suspicious shipments and seizures of clandestine laboratories, involving substances listed in Tables I and II of the 1988 Convention and substances not under international control, as well as drug manufacturing equipment (see also chapter IV).

65. As at 1 November 2019, PICS had more than 500 registered users from 117 countries and territories, representing more than 270 agencies.¹² More than 2,700 incidents had been communicated through PICS since its establishment in 2012, an average of 350 incidents per year. The level of usage of the system demonstrates the interest of PICS users and case officers in identifying and sharing actionable information and intelligence in a timely manner. The Board notes with appreciation the active utilization of PICS and the continued exchange of

intelligence with foreign counterparts, including, in particular, by users from countries whose contributions are critical to understanding current patterns of trafficking in acetic anhydride, such as Afghanistan and Iran (Islamic Republic of) (see also chap. III, sect. C).

66. During the reporting period, PICS once again provided an important tool to support cross-border investigations and identify trafficking routes, ways of misdeclaration, *modi operandi* and new non-scheduled precursor chemicals. INCB continued to act as a 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. The leads that PICS provided to national authorities enabled them to initiate backtracking investigations and, on several occasions, to conduct further seizures or prevent diversion attempts.

3. Voluntary cooperation with industry

67. Public-private partnerships and voluntary cooperation with industry remain key elements of an effective strategy to confront chemical diversion. However, the information INCB had about the level of voluntary partnerships worldwide continued to be incomplete. A survey on national responses to non-scheduled chemicals provided some insight into the voluntary cooperation arrangements in place among relevant authorities and sectors of industry, as well as such arrangements in general, and the Board wishes to thank all Governments who participated in that survey.

68. To advance knowledge of the concept of public-private partnerships, INCB, in cooperation with the Government of the United Republic of Tanzania, held a workshop on the topic for countries in East Africa in October 2019. The workshop, which brought together Government officials and industry representatives from nine countries, was facilitated by experts from France and Nigeria and resulted in a set of recommendations that participating countries committed themselves to implementing.

69. During the reporting period, INCB continued to focus on raising awareness about the need to extend the scope of cooperation with industry, both within the manufacturing industries, by including, for example, companies specialized in customized synthesis, and beyond the manufacturing industries, by including online vendors and platforms. Successes with the latter are described in chapter III, sect. C, box 3.

¹²Governments 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.

70. INCB wishes to reiterate the importance of engaging relevant sectors of industry to ensure the successful and sustainable prevention of chemical diversion. INCB also wishes to reiterate that, although determining the nature and extent of such cooperation is the prerogative of individual countries, it is important that competent national authorities share information about suspicious requests, orders and transactions with INCB in order to prevent “company shopping”, i.e., the shifting from one supplier to another, across borders.

4. Tracking of precursor chemicals to prevent their diversion

71. In response to Commission on Narcotic Drugs resolution 62/1, entitled “Strengthening international cooperation and comprehensive regulatory and institutional frameworks for the control of precursors used in the illicit manufacture of narcotic drugs and psychotropic substances”, INCB, in cooperation with the Government of Turkey, convened an expert working group to explore the possibility, practicability and effectiveness of innovative methods to track precursor chemicals, in particular acetic anhydride, to prevent their diversion.

72. The working group, which was to be attended by experts and representatives of private entities, was to prepare a report for submission to the Commission on Narcotic Drugs in March 2020. In addition to focusing on tracking in general, the expert working group was to analyse the pros and cons of tagging.