

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

A. Scope of control

7. 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 a precursor of amphetamine and methamphetamine in Table I of the 1988 Convention

8. On 4 March 2020, the Commission on Narcotic Drugs decided, in accordance with the Board's recommendation, to add MAPA to Table I of the 1988 Convention. The decision was taken unanimously and became effective on 3 November 2020, 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 MAPA. The updated documents are available on the website of the Board (www.incb.org). **The Board urges all Governments to**

introduce the required controls as soon as possible and to inform it accordingly.

9. To facilitate monitoring of the legitimate trade in MAPA, if any, and since MAPA does not currently have a unique Harmonized System code,³ **the Board encourages Governments to adopt, on a voluntary basis, until such time as MAPA is assigned a unique Harmonized System code, an interim, discrete code based on the applicable Harmonized System group code.**⁴

B. Adherence to the 1988 Convention

10. As at 1 November 2020, 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). There have been no changes since the publication of the Board's 2019 report on precursors. Details on the status of accession are provided in annex I. To reduce the vulnerability of those States to trafficking in precursors, **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 have yet to become parties to the Convention to implement the provisions of article 12 and to become parties without further delay.**

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

11. 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.⁵ The

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

⁴Harmonized System 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.

⁵Since the 2018 reporting cycle, INCB has introduced an Excel form in an effort to streamline and expedite the reporting process and to minimize the potential for data entry errors. Thirty-nine Governments have used that form. The latest version of form D is available on the INCB website in the six official languages of the United Nations.

deadline for submission of the 2019 data was 30 June 2020, although INCB continued to encourage earlier submission (by 30 April) to allow sufficient time for any necessary clarification of the information received.

12. As at 1 November 2020, a total of 120 States parties had submitted form D for 2019, up from 71 as at 30 June 2020. Timor-Leste submitted form D for the first time. Nevertheless, 70 States parties failed to submit form D for 2019.⁶ Of those, 13 have not done so for the past five years, and 19 have not done so for the past 10 years (see table 1). Comprehensive information about the submission of form D by all Governments is included in annex II.

Table 1. States parties failing to report as required under article 12, paragraph 12, of the 1988 Convention, 2019

Africa		
Algeria	Eswatini ^b	Mali
Benin	Ethiopia	Mauritania
Burkina Faso ^a	Gambia	Mozambique
Cabo Verde	Guinea ^b	Namibia
Central African Republic ^b	Guinea-Bissau ^a	Niger ^b
Comoros ^b	Kenya	Sao Tome and Principe ^a
Congo ^b	Lesotho ^b	Senegal
Côte d'Ivoire	Liberia ^b	Seychelles
Djibouti ^b	Libya ^b	Togo ^a
Eritrea ^a	Malawi ^b	Zambia ^a
Americas		
Antigua and Barbuda ^b	Bolivia (Plurinational State of)	Paraguay
Bahamas ^b	Cuba ^a	Saint Kitts and Nevis ^b
Barbados ^a	Grenada ^b	Suriname
Belize	Haiti	
Asia		
Bangladesh	Israel	Singapore
Cambodia ^a	Kuwait	Sri Lanka
China	Mongolia	Turkmenistan
Democratic People's Republic of Korea	Nepal	
Iraq	Oman	
Europe		
Andorra	North Macedonia	Serbia
Luxembourg	Republic of Moldova	

⁶The Holy See, San Marino and Liechtenstein did not furnish form D separately, as their data are included in the reports of Italy and Switzerland.

Oceania		
Cook Islands ^a	Nauru ^b	Tonga ^b
Fiji	Niue ^b	Vanuatu ^a
Marshall Islands ^b	Palau	
Micronesia (Federated States of) ^a	Samoa ^a	

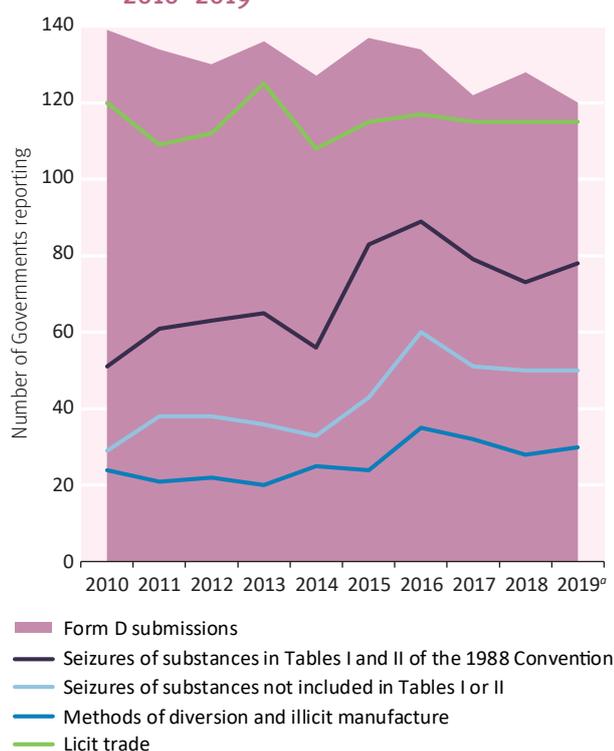
Note: See also annex II.

^aGovernment that failed to submit form D for any year during the past 5 years (2015–2019).

^bGovernment that failed to submit form D for any year during the past 10 years (2010–2019).

13. Seventy-eight Governments reported seizures of substances listed in Tables I and II of the 1988 Convention on form D for 2019. In most of the reports, Governments provided only the quantities seized and did not provide information on the origin of seized substances, although such information is critical for identifying weaknesses in control mechanisms and emerging trends. In addition, only a few Governments supplemented their responses with details regarding seizures of chemicals not under international control, methods of diversion and illicit manufacture, and stopped shipments (see figure I). **INCB reiterates its call to Governments to make every effort to collect and report complete information as mandated in article 12, paragraph 12, of the 1988 Convention, to submit form D on time, and to confirm and provide details of seizures in a timely manner, when so requested by the Board.**

Figure I. Reporting by Governments on form D, 2010–2019



^aAs at 1 November 2020.

D. Legislation and control measures

14. 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 2019, the following changes in control measures have come to the attention of INCB.

15. On 1 January 2020, by Supreme Decree No. 268-2019-EF, the Government of Peru subjected a number of chemicals associated with the illicit manufacture of cocaine to registration, control and inspection. The chemicals concerned include calcium chloride, sodium metabisulfite and sodium hydroxide.

16. In February 2020, the Government of the Russian Federation placed 10 precursors under national control. In the same month, the Government of Myanmar placed seven chemicals used for the manufacture of amphetamine-type stimulants under national control, in addition to the three chemicals that were included in Table I of the 1988 Convention as at 19 November 2019. APAAN is still not under control in Myanmar.

17. In March 2020, Brazil placed helional, a precursor of MDA, under national control (see also para. 126), on the basis of forensic reports that had identified helional-related impurities in seized MDA tablets.

18. The Government of the United States of America published accounts of two rule-making proceedings to establish controls on three substances used in the illicit manufacture of fentanyl. Specifically, it announced on 15 April 2020 that, effective 15 May 2020, two fentanyl precursors (benzylfentanyl and 4-AP, including its salts and some of its derivatives) would be scheduled as List 1 chemicals under the Controlled Substances Act. The scheduling of norfentanyl as an immediate precursor of fentanyl in Schedule II of the Act was announced on 17 April 2020, with an effective date 18 May 2020. The three chemicals are included in the limited international special surveillance list of non-scheduled substances, either directly in the list or under the extended definitions.

19. The President of Mexico announced in July 2020 that, in response to the purported violence and corruption resulting from trafficking in drugs and precursors at its ports, the country's armed forces would be responsible for customs and for addressing the problems of insecurity and drug trafficking at ports.

20. On 12 August 2020, the Criminal Code and Customs Legislation Amendment (Precursors and Drugs) Regulations 2020 came into effect in Australia, listing additional substances as either controlled precursors or “border-controlled precursors”,⁷ including a number of designer precursors recently placed under international control, as well as additional ones not yet under international control, such as chloroephedrine, chloropseudoephedrine and P-2-P methyl glycidic acid derivatives. The precursors have been identified as having no known legitimate industrial or commercial use. The Regulations also reduce the commercial and marketable quantities of phenyl-2-propanone, reflecting current methods used to illicitly manufacture methamphetamine from the substance.

21. On 26 August 2020, following instances of diversion of domestically manufactured ANPP for trafficking to Mexico, the Government of India tightened controls over two fentanyl precursors, namely, ANPP and NPP, by placing them in Schedule A of the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order of 2013, thereby bringing the domestic manufacture, distribution, sale, possession and use of those substances under national control. On that same date, all of the designer precursors of amphetamine-type stimulants that were recently added to Table I of the 1988 Convention were brought under national control under the country’s regulations on precursors, albeit only in the context of export and import controls.

22. Prior to that, in October 2019, India amended its regulations on precursor control more generally by including the offering for sale or distribution, or the mediating in the sale or purchase, through a website or social media, or in any other manner, of domestically controlled precursors as activities requiring prior registration with the country’s Narcotics Control Bureau (see also box 2).

23. In November 2020, a number of substances were to be scheduled at the European Union level, including APAA, 3,4-MDP-2-P methyl glycidate and 3,4-MDP-2-P methyl glycidic acid, whose scheduling in Table I of the 1988 Convention became effective on 19 November 2019, and MAPA, whose scheduling at the global level became effective on 3 November 2020, as well as a number of other substances of regional concern, namely P-2-P methyl glycidic acid derivatives and red phosphorous.

⁷A category of precursors defined in Australian law.

24. In Egypt, measures to monitor the legal use of precursor chemicals were strengthened through the establishment of a tripartite commission composed of the Ministry of Justice, the Ministry of Health and the Ministry of the Interior. The Ministry of the Interior continued to coordinate with the relevant entities in the Ministry of Health, the Ministry of Industry and the Ministry of Investment to assess actual needs and determine the amounts of precursor chemicals required for legal use in the health and manufacturing industries.

25. The Inter-American Drug Abuse Control Commission amended its model legislation in November 2019 to, inter alia, address non-scheduled chemicals, including designer precursors. Specifically, under article 37 of the model legislation, the introduction to the country, manufacture, storage, provision, sale or transportation of raw materials of controlled or non-controlled chemical substances, with the knowledge or presumption that the purpose of such acts is the illicit manufacture of narcotic drugs, psychotropic substances or controlled chemical substances and/or the promotion, facilitation or financing of such acts, is to be considered a punishable act.

26. In accordance with resolution 1992/29 of the Economic and Social Council, updated 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, is available as part of the Board’s information package on the control of precursors and can be accessed by competent national authorities 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 and requirements related to the legitimate trade in these substances.**

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

27. The proliferation of non-scheduled chemicals and designer precursors continues to be of concern to the Board. These chemicals are characterized by being closely related with each other and with a controlled chemical, and many of them have no known legitimate use and are often designed specifically to circumvent existing legislation.

28. The Board is aware of the following approaches introduced by Governments at the national level in 2020:

(a) As part of an assessment of the risks associated with fentanyl and fentanyl analogues, the Advisory Council on the Misuse of Drugs of the United Kingdom of Great Britain and Northern Ireland, in early January 2020, recommended, inter alia, that consideration be given to expanding precursor controls to cover simple variants of ANPP (an immediate precursor of fentanyl that is under international control);

(b) The Government of the Netherlands has submitted a bill to parliament on specific types of non-scheduled chemicals that are not listed in the European Union drug precursor regulations and can be easily converted into a drug or drug precursor, and for which no legitimate industrial uses are known. The purpose of the bill is to prohibit the possession or transport of the listed chemicals without a permit. It is anticipated that a multidisciplinary expert group will be established to maintain the list.

29. **The Board welcomes all initiatives aimed at addressing the proliferation of designer precursors and other chemicals not under international control, and invites Governments to continue to share with it innovative and proactive approaches to, as well as experiences in, their implementation.**

30. The Board continued the policy discussion with Member States during the sixty-third session of the Commission on Narcotic Drugs, in March 2020, including by presenting a discussion paper⁸ on the topic. The Board also dedicated the commemoration of the thirtieth anniversary of the entry into force of the 1988 Convention, on 11 November 2020, to the challenges and successes in precursor control, with a special focus on designer precursors and other non-scheduled chemicals. In that same year, the Board conducted the following additional activities to assist Governments in preventing non-scheduled and designer precursors from reaching illicit laboratories:

(a) It updated the limited international special surveillance list of non-scheduled substances by including an additional fentanyl pre-precursor. The limited international special surveillance list is aimed at alerting authorities and relevant sectors of industry to the possible misuse in illicit drug manufacture of chemicals on the list and at facilitating public-private cooperation;

(b) It updated the list of chemicals not included in Table I or Table II of the 1988 Convention that are

controlled at the national level in various countries,⁹ with a view to providing Governments with a basis for informing their counterparts in transit and destination countries about known outbound shipments containing such chemicals so that the authorities in those countries can anticipate and take action on incoming shipments.

31. Both lists are included as part of the information package on precursor control that is available on the Board's secure website. **INCB encourages competent national authorities to make full use of those lists and to provide it with updated information on internationally non-scheduled chemicals that are under control at the national level.** This information will assist the authorities of importing and exporting countries in monitoring licit international trade in such chemicals. It will also assist source countries in informing relevant transit and destination countries about cases of trafficking in those chemicals, thereby facilitating enforcement action in the latter countries.

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

32. Information on licit trade in, uses of and requirements for substances listed in Tables I and II of the 1988 Convention is submitted to INCB, on a voluntary and confidential basis, in accordance with Economic and Social Council resolution 1995/20. Those data enable INCB and Governments to validate the information about proposed shipments notified through the PEN Online system, understand the underlying patterns of regular trade and prevent diversions by identifying unusual trade patterns and suspicious activity.

33. As at 1 November 2020, 115 Governments had submitted data on licit trade in substances in Table I or Table II of the 1988 Convention, and 104 Governments had furnished data on the licit uses of and/or requirements for one or more of those substances (see annex IV). As in the past, data on licit trade in precursors, although submitted on a voluntary basis, were typically submitted by more Governments, and were more comprehensive, than the mandatory data on seizures (see figure I above). **INCB thanks all Governments that have provided voluntary information on licit trade and wishes to encourage all other Governments to consider providing such data, with a view to identifying weaknesses in controlling precursors and preventing their diversion.**

⁸Conference room paper entitled "Options to address the proliferation of non-scheduled chemicals, including designer precursors – contribution to a wider policy dialogue" (E/CN.7/2020/CRP.13).

⁹Known as Part A, Table 4, of the information package on the control of precursors, and available for official use by competent national authorities.

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

34. In its resolution 49/3, the Commission on Narcotic Drugs requested Member States to provide to INCB estimates of their annual legitimate requirements for certain substances frequently used in the illicit manufacture of 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 that could be easily used or recovered by readily applicable means.

35. The estimates are used by INCB and by exporting countries to contextualize the amounts of those substances involved in proposed shipments to importing countries. Often, information about annual legitimate requirements presents the very first – and sometimes the only – reference tool for assessing the legitimacy of a proposed import. **The Board commends those Governments that make active use of the system of annual legitimate requirements and encourages all other Governments to make better use of this basic tool, as both exporters and importers of 3,4-MDP-2-P, pseudoephedrine, ephedrine and P-2-P, and preparations containing those substances.**

36. The estimated annual legitimate requirements for imports of precursors of amphetamine-type stimulants as reported by Governments are presented in annex V to the present report. They are also regularly updated and

published on a dedicated page of the Board's website.¹⁰ As at 1 November 2020, 172 Governments had provided at least one estimate; the total number of estimates submitted to the Board during the reporting period was 910 (see figure II). Three Governments, namely, Marshall Islands, Timor Leste and Viet Nam, provided estimates of their annual legitimate requirements for the first time ever.

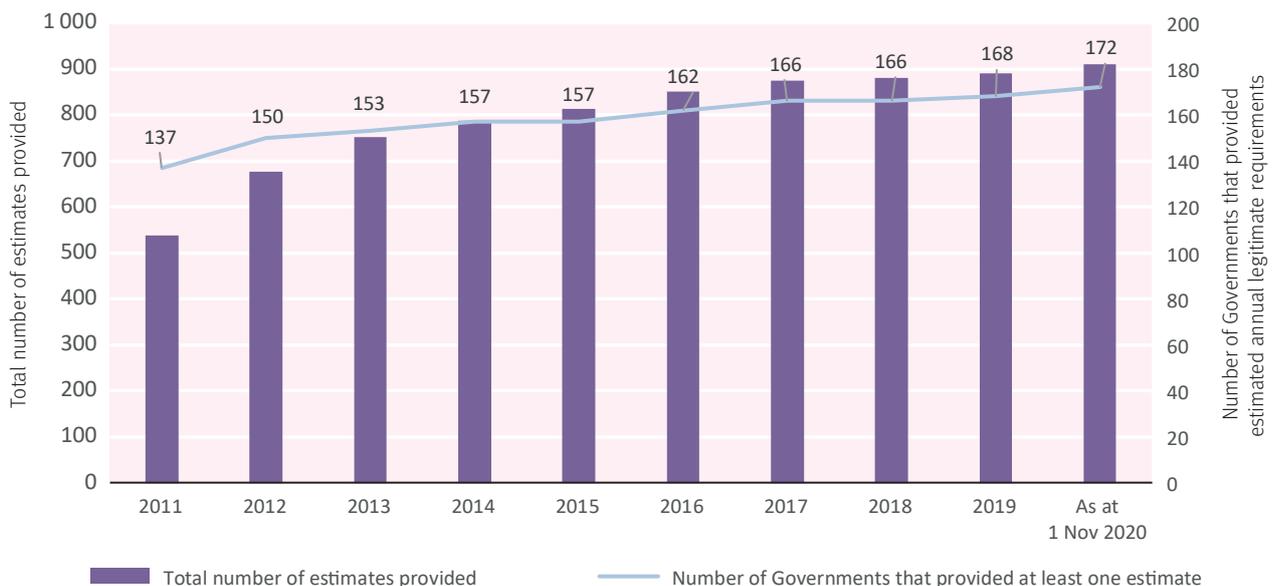
37. However, a total of 29 States parties to the 1988 Convention had not yet provided any estimates to the Board; the majority of those continued to be in Africa and Oceania.

38. Since the publication of the Board's 2019 report on precursors, 114 countries and territories have reconfirmed or updated their estimates for at least one of the substances, to reflect changing market conditions, as recommended by the Board, and almost half of those countries have reconfirmed or updated their annual legitimate requirements for all relevant substances. However, some estimates date back to 2006 and have never been updated. More than 58 Governments have not done so; some for one year; some repeatedly, for several years.

39. The Board also continues to be concerned that several Governments appear to build in substantial safety margins by submitting estimates of requirements that are far higher than actual imports, a practice that counters the purpose of the annual legitimate requirements as a tool for

¹⁰www.incb.org/incb/en/precursors/alrs.html.

Figure II. Estimated annual legitimate requirements for precursors of amphetamine-type stimulants: number of Governments that provided estimates and total number of estimates provided, 2011–2020



providing the authorities of exporting countries with at least an indication of the legitimate requirements of importing countries, and thus preventing diversion attempts. **INCB therefore again invites Governments to assess their annual legitimate requirements for individual precursors, to review the requirements as published on the Board's website, and to inform the Board of any necessary changes. The changes can be communicated to the Board at any time throughout the year. On the part of exporting countries, INCB encourages the concerned competent authorities to make use of the published estimates of annual legitimate requirements of importing countries and suspend exports until the grounds for initial doubts or actual discrepancies are removed.**

40. The Board would also like to refer Governments interested in more accurately establishing their estimates to the *Guide on Estimating Requirements for Substances under International Control*, developed by INCB and the World Health Organization, as well as the document entitled "Issues that Governments may consider when determining annual legitimate requirements for ephedrine and pseudoephedrine". Both are available on the Board's website.

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

41. Two complementary measures, namely, invoking article 12, subparagraph 10 (a), of the 1988 Convention, and registering with the Board's PEN Online system, have globally proven to be fundamental for rapidly identifying suspicious transactions in international trade in substances included in Table I and Table II of the 1988 Convention, hence preventing diversion of those substances.

1. Pre-export notifications

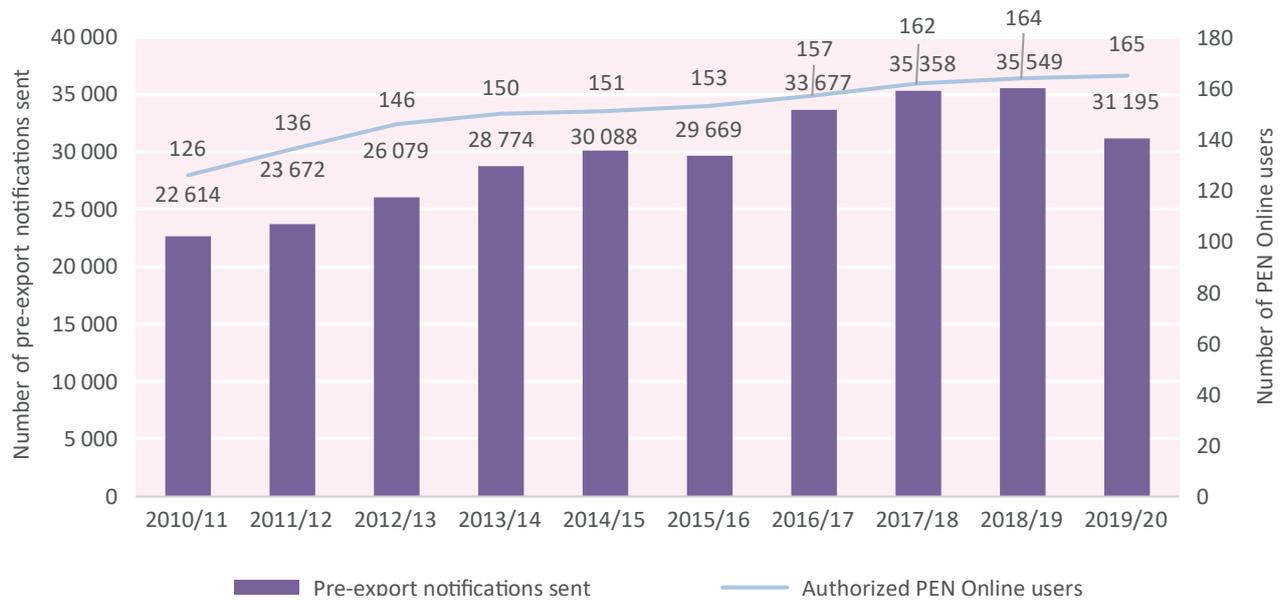
42. The receipt of pre-export notifications enables the competent authorities of the importing country to become aware of planned shipments of precursors destined for their territory, thus enabling them to verify the legitimacy of transactions and suspend or stop them, as required, in a timely manner. By invoking article 12, subparagraph 10 (a), of the 1988 Convention, Governments of importing countries can make it mandatory for exporting countries to inform them of planned exports of precursors prior to shipping.

43. As at 1 November 2020, 115 countries and territories had formally requested pre-export notifications (see annex VI). Since the Board published its 2019 report on precursors, two more Governments, Honduras and Tunisia, have invoked article 12, subparagraph 10 (a), of the 1988 Convention for almost all substances in Table I; Tunisia has additionally invoked the article for all substances in Table II. This brings the proportion of Governments in Africa and the Americas that have requested to receive pre-export notifications to, respectively, 33 per cent and 71 per cent, representing a slight improvement compared with the previous reporting period, when the proportions stood at 31 per cent for Africa and 69 per cent for the Americas. Yet, the generally low percentage of Governments, notably in Africa and Oceania (25 per cent), that have invoked their right to be pre-notified, remains of concern to INCB. **The Board therefore again calls on the Governments concerned to take the necessary steps to invoke the provisions of article 12, subparagraph 10 (a), without further delay.** The forms to be used for formally requesting to be notified of all shipments of substances included in Tables I and II of the 1988 Convention are available from INCB, including from its secure website.

2. Pre-Export Notification Online system

44. Although not a treaty requirement, registration with the Board's automated online system for the exchange of pre-export notifications, PEN Online, ensures that Governments receive information in real time about all relevant planned shipments of chemicals destined for their territory. Launched in 2006, registration for the PEN Online system has steadily increased over the last 10 years (see figure III). Since the publication of the Board's 2019 report on precursors, Guyana has been added to the list of countries and territories authorized to use the PEN Online system, bringing the total number of countries and territories on that list to 165. **The Board encourages the remaining 32 Governments that have not yet registered as users of the PEN Online system to do so in order to guarantee the timely submission of pre-export notifications to their territory.**¹¹

¹¹Those 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, 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.

Figure III. Users of the PEN Online system and pre-export notifications submitted, 2011–2020^a

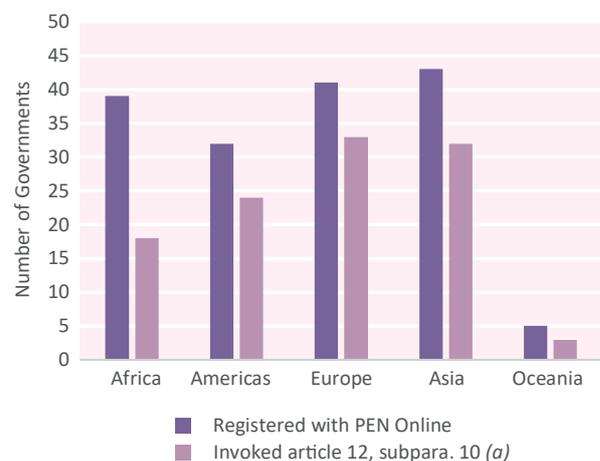
^aReporting periods are from 1 November of the first year to 1 November of the following year.

45. INCB would also like to once again remind Governments that by registering with the PEN Online system they do not automatically invoke article 12, subparagraph 10 (a), or vice versa. Currently, there are 50 countries that have registered to use the PEN Online system but have not yet invoked article 12, subparagraph 10 (a).¹² The majority of those are in Africa, followed by Asia (see figure IV). Antigua and Barbuda, and Tonga, on the other hand, have invoked the article but are not registered with PEN Online. Given the complementarity of the two measures, and to ensure that pre-export notifications for all shipments are submitted and received in real time, **INCB recommends that the Governments concerned take the necessary steps to implement both measures: invoking the article and registering with the PEN Online system.**

46. The number of submissions of pre-export notifications has increased by almost 60 per cent in the last 10 years and has stabilized at between 30,000 and 35,000 notifications per year (see figure III); these pre-export notifications are sent, on average, by about 70 exporting countries and territories. The level of use of the PEN Online system by importing Governments for communication with exporting authorities has also improved over

the years; during the present reporting period, about 90 per cent of the incoming pre-export notifications were viewed, and about 78 per cent of them have been responded to. Yet, a number of Governments have registered to use the PEN Online system but do not view or respond to incoming pre-export notifications. **The Board therefore reiterates its recommendations to importing Governments that are registered as users of the PEN Online system to regularly view all transactions involving precursors and to respond to exporting authorities in a timely manner, where necessary.**

Figure IV. Governments registered with the PEN Online system and having invoked article 12, subparagraph 10 (a), of the 1988 Convention, by region, as at 1 November 2020



¹²Those countries are: Albania, Andorra, Angola, Bahamas, Bahrain, Belize, Bosnia and Herzegovina, Botswana, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Chad, Congo, Democratic Republic of the Congo, Cuba, Eritrea, Gambia, Grenada, Guatemala, Guyana, Iceland, Iran (Islamic Republic of), Israel, Kuwait, Lao People's Democratic Republic, Mali, Marshall Islands, Mauritius, Montenegro, Morocco, Namibia, Nepal, North Macedonia, Rwanda, Saint Lucia, Senegal, Serbia, Seychelles, Solomon Islands, Somalia, South Sudan, Suriname, Timor-Leste, Ukraine, Uzbekistan, Viet Nam and Zambia.

47. Similar to previous years, about 7 per cent of proposed exports were objected to. Many of those objections were raised by importing Governments for administrative reasons. The majority of the shipments were subsequently released, as no evidence for illegal activities could be obtained. Most of the objections were related to the import authorization number not being included on the pre-export notification form. **To avoid unnecessary administrative objections and delays of shipments, INCB recommends that the authorities of exporting countries include all available details, including authorization numbers where available, in the relevant sections of the PEN Online pre-export notification form. Likewise, the online conversation tool available in the PEN Online system should be used to communicate with the trading partner before the importing authority conveys its final decision by means of the “objection” or “non-objection” function as to whether a shipment is authorized or not.**

Issues related to sending pre-export notifications and the use of the PEN Online system

(a) Sending pre-export notifications for all suspicious shipments

48. While the sending of pre-export notifications for all exports only becomes mandatory when the importing Government has invoked article 12, subparagraph 10 (a), of the 1988 Convention, Governments are reminded that article 12, paragraph 9 (c), requires parties to notify, as soon as possible, the competent authorities of the parties concerned of any suspicious shipment involving a substance in Table I or Table II of the 1988 Convention, i.e., if there is reason to believe that the import, export or transit of the substance is destined for the illicit manufacture of narcotic drugs or psychotropic substances. As 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 again encourages exporting countries to systematically use the PEN Online system to provide notification of shipments even in cases in which they have concerns about their legitimacy, and if they do so, to clearly indicate that the shipment will not proceed unless the authorities of the importing country or territory indicate their explicit approval.**¹³

¹³ A summary of minimum action for international trade monitoring through the PEN Online system is available in the INCB report on precursors for 2015 (E/INCB/2015/4), box 1.

(b) Harmonized System codes for preparations containing ephedrine, pseudoephedrine and norephedrine

49. The Board would also like to reiterate its recommendation to Governments to monitor, including by sending pre-export notifications on a voluntary basis, trade in ephedrine and pseudoephedrine in any form, including pharmaceutical preparations. Such voluntary action would be in line with resolution 54/8 of the Commission on Narcotic Drugs and would serve to ensure a comprehensive picture of global trade in ephedrines and their potential for diversion. In this connection, **the Board reminds all Governments that, since 2017, Harmonized System codes have been assigned to pharmaceutical preparations containing ephedrine, pseudoephedrine or norephedrine, and those codes should be used by importers and exporters when declaring shipments of such preparations at customs, thereby facilitating the monitoring of their trade and the verification of the legitimacy of their end use.** Harmonized System codes for preparations containing the three substances are available in the red list on the Board's website.

(c) Shipments involving brokers

50. A number of exports of precursor chemicals are mediated by brokers located in a country other than the exporting country. Occasionally, such exports are mistakenly pre-notified through the PEN Online system by the countries in which the broker company is established and registered, instead of, or in addition to, the exporting country. **The Board wishes to remind Governments of all exporting countries and of the countries in which brokers are established that, pursuant to article 12, paragraph 10, of the 1988 Convention, it is the responsibility of each country from whose territory a substance in Table I is to be exported to ensure the submission of details of proposed consignments, preferably through the PEN Online system, prior to such export.**

H. Other activities and achievements in international precursor control

1. Project Prism and Project Cohesion

51. Under Project Prism and Project Cohesion, INCB facilitates international cooperation and the secure exchange of real-time information to address the diversion of chemicals used in the illicit manufacture of synthetic drugs (Project Prism), and heroin and cocaine (Project

Cohesion).¹⁴ The two projects currently bring together operational focal points from law and regulatory enforcement from more than 140 Governments worldwide. **INCB wishes to remind all Governments to regularly review the contact details of their nominated focal points, available on the Board's secure website, to ensure that they are kept up to date, thus facilitating bilateral contacts and collaboration in cross-border precursor investigations.**

52. During the reporting period, INCB continued to serve as a focal point for the exchange of information on suspicious transactions in legitimate trade, trafficking trends, identified modi operandi and emerging non-scheduled chemicals, including through PICS (see sect. 2 below). Ten special alerts were circulated to focal points, including on concealment methods used to misdeclare or mislabel precursors of amphetamine-type stimulants, shipments of precursors to Iraq, the illicit manufacture of methamphetamine in Afghanistan, trends relating to the use of precursors in the illicit manufacture of fentanyl, trends relating to the increased efficiency of P-2-P-based methamphetamine manufacture (see para. 112 below), trafficking in sulphuric acid, suspicious shipments of chemicals destined for Myanmar and interventions to raise awareness about the sale over e-commerce platforms of equipment for use in illicit drug manufacture. All past alerts are available to registered users of PICS.

53. The INCB Precursors Task Force met twice in 2020, in person in March and online in September, to discuss progress and plan future activities.

2. Precursors Incident Communication System

54. PICS continued to facilitate global operational cooperation in precursor-related matters by offering registered users a platform for the secure exchange of actionable, real-time information related to trafficking in substances under international control and those that are not, as well as drug manufacturing equipment.

55. As at 1 November 2020, PICS had almost 560 registered users from 123 countries and territories, representing more than 285 agencies.¹⁵ More than 3,100 incidents have been communicated through PICS since its establishment

¹⁴A summary of the minimum action needed for international multilateral cooperation under Project Prism and Project Cohesion is available in the INCB report on precursors for 2015 (E/INCB/2015/4), box 2.

¹⁵Governments 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.

in 2012. The Board notes with appreciation the active utilization of PICS and the continued exchange of intelligence with foreign counterparts. For example, at the beginning of 2020, in response to Project Cohesion Alert No. 01/2017, on modi operandi and trafficking routes used by acetic anhydride traffickers, INCB, in cooperation with the authorities of Bulgaria, Iran (Islamic Republic of), the Netherlands and Turkey, and with Europol, identified suspected links between six seizures of acetic anhydride in 2017 and 2018, on the basis of similarities between jerry cans and labels used by traffickers in order to conceal contraband acetic anhydride, and partial overlaps in the transportation routes and countries involved. Those six cases, together involving almost 22,000 litres of acetic anhydride, represent the largest number of interlinked seizures of precursors identified so far on the basis of analysis of intelligence communicated through PICS and reflect the continued operation of trafficking groups. Investigations are ongoing. **INCB encourages Governments to continue to make active use of PICS both as providers and recipients of actionable information, participate actively in activities under Project Prism and Project Cohesion and provide feedback and timely responses to related enquiries by the Board and other national focal points.**

56. PICS also played a central role in identifying modifications to the illicit manufacture of methamphetamine that significantly increase the efficiency of P-2-P-based manufacturing methods (see para. 112 below), thus illustrating its relevance as an early warning system for the identification of chemicals.

3. Voluntary cooperation with industry

57. Public-private partnerships and voluntary cooperation with industry are key elements of an effective strategy to confront chemical diversion, in particular, given the proliferation of non-scheduled chemicals and designer precursors.

58. Information about suspicious requests, orders and transactions voluntarily shared by industry with national authorities helps to alert other companies in the same country. If the information is shared internationally, with INCB, through the respective national authorities, the authorities of other countries can be alerted, thus helping to prevent traffickers from placing the same order elsewhere. The Board is aware of past successes of Governments achieved through voluntary cooperation with business-to-business Internet-based companies, and **wishes to recall its recommendation to Governments to enforce any applicable regulations to prevent the misuse of the Internet for the diversion of chemicals into illicit channels or, as a**

minimum, to use such information to generate actionable intelligence for use in further investigations.¹⁶

59. Unfortunately, the information INCB has about the level of voluntary partnerships worldwide continues to be incomplete. Similarly, INCB only rarely receives information about suspicious requests or denied orders, thus limiting the Board's ability to alert authorities worldwide. With a few exceptions, Governments rarely inform the Board about the extent of suspicious shipments whose export has been stopped by the authorities or about cases in which companies have voluntarily refrained from fulfilling an order. One of those exceptions is Germany, a country with a long-established and well-functioning partnership between authorities and relevant industries. In the country in 2019, there were 14 incidents in which substances in Table I or Table II of the 1988 Convention, or chemicals not under international or national control, were not supplied, representing a decrease from 23 such incidents recorded in 2018.

60. **INCB wishes to reiterate the importance of cooperation with relevant industries in the successful and sustainable prevention of chemical diversion. While the nature, extent and scope of such cooperation is the prerogative of individual countries, INCB wishes to highlight the importance of the voluntary aspect of such cooperation, in particular with regard to designer precursors and other chemicals not under national control, which may present a global challenge. The Board also wishes to reiterate the importance of sharing information about suspicious requests and denied orders and transactions globally, with INCB, in order to prevent traffickers from shifting from one supplier to another, across borders.**