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.

7. In October 2021, the Government of the United States of America proposed that three precursors of fentanyl and of a few related substances be included in the tables of the 1988 Convention. The substances were 4-AP, boc-4-AP and norfentanyl. In accordance with the procedure set out in article 12, paragraph 3, of the 1988 Convention, the Secretary-General then invited Governments to submit their comments and supplementary information on each of the substances in order to assist the Board in carrying out assessments and making scheduling recommendations to the Commission on Narcotic Drugs.

8. None of the substances concerned has, to date, been assigned a unique Harmonized System code.[3] Considering the length of the cycle of updating the Harmonized System nomenclature, **INCB encourages Governments to adopt, on a voluntary basis, until such time as each substance is assigned a unique Harmonized System code, an interim, discrete code based on the applicable Harmonized System group code.**[4]

[3] See WCO, *Harmonized Commodity Description and Coding System*, 6th ed. (Brussels, 2017).

[4] Harmonized 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.

9. With regard to NPP and ANPP, two fentanyl precursors that have been under international control since October 2017, INCB is pleased to note that cooperation with WCO pursuant to Economic and Social Council resolution 1992/29 has resulted in the establishment of unique Harmonized System codes for the two chemicals in the new Harmonized System nomenclature, applicable from January 2022.

B. Adherence to the 1988 Convention

10. As at 1 November 2021, the 1988 Convention had been ratified, acceded to or approved by 190 States and formally confirmed by the European Union (extent of competence: art. 12). There have been no changes in that regard since the publication of the INCB report on precursors for 2020. Details on the status of accession are provided in annex I to the present report. The following seven States (by region) are not yet parties to the 1988 Convention:

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

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

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.

12. In order to assist Governments in providing such data, INCB transmits to all Governments an annual questionnaire, known as form D.[5] The deadline for submission of the 2020 data was 30 June 2021, although INCB continued to encourage earlier submission (by 30 April) to allow sufficient time for any necessary clarification of the information received.

13. As at 1 November 2021, a total of 122 States parties had submitted form D for 2020, up from 83 as at 30 June 2021. Micronesia (Federated States of) resumed submission after 6 years, and the Niger after more than 10 years. Nevertheless, 68 States parties failed to submit form D for 2020.[6] Of those, 16 have not done so for the past five years, and 16 have not done so for the past 10 years (see table 1). In addition, 13 countries and territories (Algeria, Andorra, Bolivia (Plurinational State of), China, Curaçao, Iraq, Israel, Luxembourg, Mozambique, Paraguay, Serbia, Singapore and Suriname) have submitted form D for the previous reporting cycle (form D for 2019). Comprehensive information about the status of 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, 2020

Africa		
Algeria	Côte d'Ivoire	Libya[b]
Angola	Djibouti[b]	Malawi[b]
Benin	Eritrea[a]	Mali
Burkina Faso[a]	Eswatini[b]	Mauritania
Burundi	Ethiopia[a]	Namibia
Cabo Verde	Gambia	Sao Tome and Principe[a]
Cameroon	Guinea[b]	Senegal
Central African Republic[b]	Guinea-Bissau[a]	Seychelles
Chad	Kenya	Togo[a]
Comoros[b]	Lesotho[b]	Zambia[a]
Congo[b]	Liberia[b]	
Americas		
Antigua and Barbuda[b]	Belize	Guyana
Bahamas[b]	Cuba[a]	Jamaica
Barbados[a]	Grenada[b]	Saint Kitts and Nevis[b]
Asia		
Bangladesh	Oman	Timor-Leste
Cambodia[a]	Pakistan	Turkmenistan
Kuwait[a]	Republic of Korea	Viet Nam
Mongolia	Sri Lanka	

[5] The latest version of form D is available on the INCB website in the six official languages of the United Nations. Since its introduction in the 2018 reporting cycle, INCB has promoted the utilization of a spreadsheet form in an effort to streamline and expedite the reporting process and to minimize the potential for data entry errors. Forty-three Governments have used that form D for 2020.

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

Europe		
Albania	Greece	Italy[c]
Belarus		
Oceania		
Cook Islands[a]	Nauru[a]	Samoa[a]
Fiji	Niue[a]	Tonga[b]
Marshall Islands[b]	Palau	Vanuatu[a]

Note: See also annex II.

[a] Government that failed to submit form D for any year during the past five years (2016–2020).

[b] Government that failed to submit form D for any year during the past 10 years (2011–2020).

[c] Including with regard to data for the Holy See and San Marino.

14. Eighty-eight Governments reported seizures of substances listed in Tables I and II of the 1988 Convention on form D for 2020. Despite repeated calls by INCB to provide information on the origin of seized chemicals, which is critical for identifying weaknesses in control mechanisms and emerging trends, most Governments only provided information on the quantities seized. In addition, a limited number of Governments provided mandatory information on seizures of chemicals not under international control (see map 1) and very few of them supplied information concerning methods of diversion and illicit manufacture. **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.**

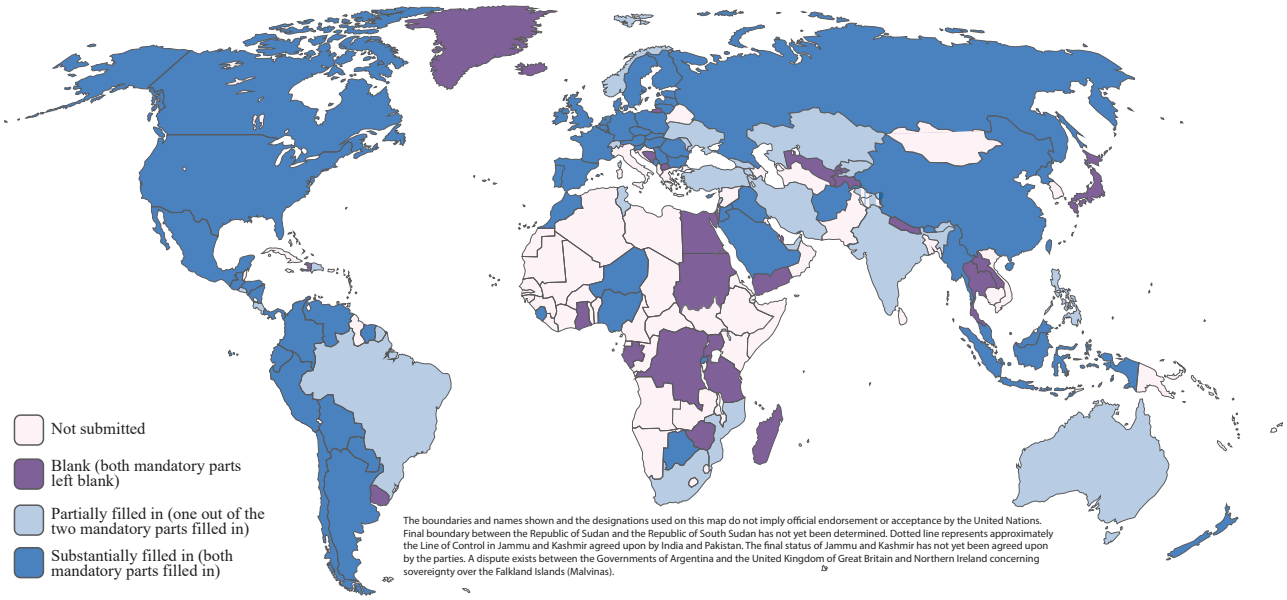
15. As in the past, data on licit trade in, uses of and requirements for precursors (see sect. E below), although submitted on a voluntary basis, were typically submitted by more Governments, and were more comprehensive, than the mandatory data on seizures of precursors.

D. Legislation and control measures

16. 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 requirement to report to the Board in this regard, since 1 November 2020, the changes in control measures set out below have come to the attention of INCB.

17. In 2020, in the Islamic Republic of Iran, a national committee for precursor oversight was created at the Drug Control Headquarters. The committee is composed of representatives from a wide range of ministries and executive bodies and is focused on improving chemical precursor control and oversight over the implementation of national

Map 1. Status of submissions by Governments of form D for 2020 containing information concerning seizures of substances listed in Table I and Table II of the 1988 Convention and seizures of substances not listed in Table I and Table II, as at 1 November 2021



rules and regulations pertaining to precursors, including domestic controls.

18. The European Commission finalized a comprehensive evaluation of the European Union drug precursor policy in November 2020. The key findings underscored the threat that the prevalence of designer precursors in illicit synthetic drug manufacture poses for the region. On the basis of its assessment of the threat, the European Commission has established an ad-hoc expert working group on designer precursors, comprising representatives of licensing, customs and police authorities, forensic laboratories, judicial authorities and chemical and pharmaceutical industries.

19. The evaluation also found that, despite the stricter legislation on precursors of December 2013, which had introduced a requirement for the registration of end users of acetic anhydride, diversion of the substance was still occurring in the European Union. On the basis of the evaluation, it was concluded that there was an opportunity to consider strengthening a number of aspects of the existing regulations, such as those concerning the diversion of auxiliary drug precursors and acetic anhydride from intra-European Union trade, and introducing stricter controls over online trade in precursors.

20. In December 2020, the European Council approved the European Union Drugs Strategy 2021–2025. The Strategy defines the key priorities for drug policy in the European Union. Increased monitoring of border crossings and heightened efforts to prevent the exploitation of legitimate trade channels for trafficking are listed among the priorities of the new strategy.

21. By Decree No. 2007 of 3 December 2020, effective 8 April 2021, the Russian Federation added 10 chemicals to its list of precursors under national control. The chemicals included MAPA, as well as nine precursors of synthetic cathinone-type new psychoactive substances. In December 2020, the parliament of the Russian Federation also approved the strategy of the Russian Federation National Anti-Drug Policy until 2030. Recognizing an increase in the domestic manufacture of synthetic drugs, the strategy provides for addressing illicit drug manufacture, including the supply of chemical raw materials. The strategic priorities are to be achieved by, inter alia, increasing cooperation with industries that manufacture and sell precursors.

22. On 14 May 2021, the Government of Paraguay updated its list of chemical precursors under national control and amended article 84 of Decree No. 5213 of 6 May 2005 pursuant to article 1 of Law No. 1340 of 22 November 1988. As a consequence, all substances in Table I and Table II of the 1988 Convention are now under national control in the country, in addition to 22 other chemicals known to be used in illicit drug manufacture.

23. Effective 14 May 2021, the Government of Mexico has added the fentanyl precursors 4-AP and its dihydrochloride salt, propionic anhydride and propionyl chloride to the list of controlled substances referred to in section I, article 4, of the Federal Act on the Control of Chemical Precursors, Essential Chemicals and Tablet- and Capsule-Making Machines. In addition, in accordance with articles 234 and 235 of the General Health Law of Mexico, those substances are considered narcotic drugs.

24. In addition, effective 26 May 2021, by Agreement CSG CCC 4/15.04.2021, the Government of Mexico has established a surveillance list of dual-use substances as a flexible mechanism for monitoring unregulated substances that could be used for the illicit manufacture of synthetic drugs, with a view to better monitoring trade in the listed substances while preventing any adverse effects on their use for legitimate industrial purposes. The initial list includes 15 chemicals.

Box 1. Tip: where and how to access information on precursor-related legislation and control measures

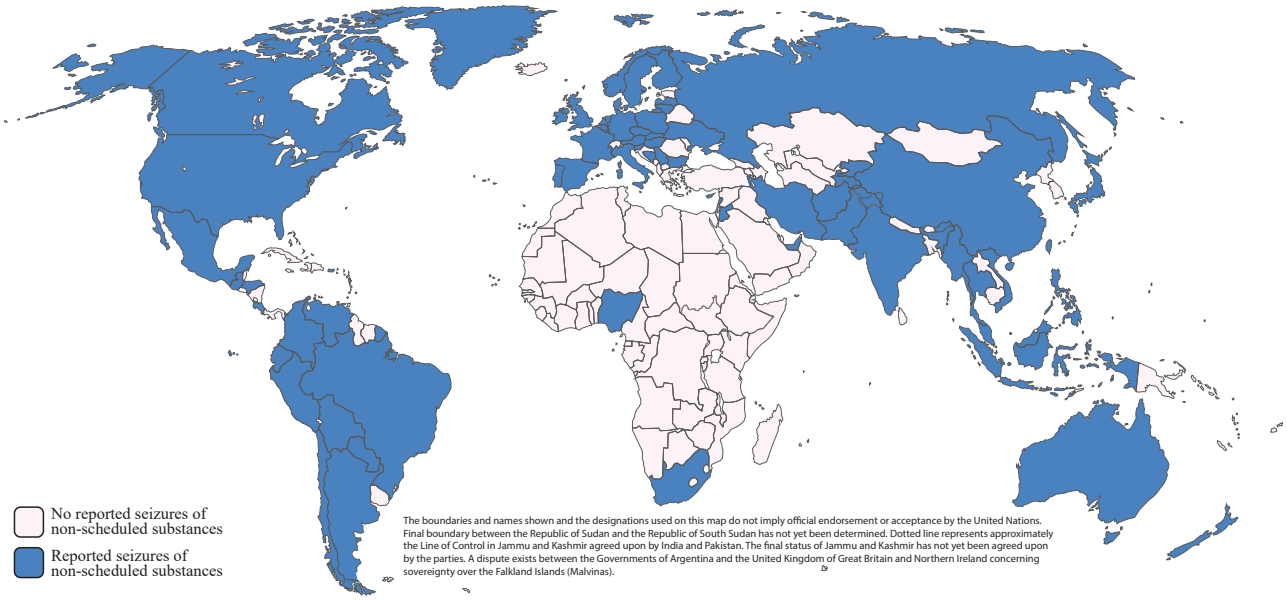
An analysis of the extent to which Governments have established monitoring and control measures at the domestic level, pursuant to article 12, paragraph 8, of the 1988 Convention, is included in chapter IV of the present report.

The Board maintains an information package on the control of precursors that can be accessed by competent national authorities on the Board's secure website. The package contains 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,[a] as well as on control measures applied to additional chemicals under national control.[b]

[a] Contained in part A, tables 1a, 1b, 2a and 2b, of the information package.

[b] Contained in part A, table 4, of the information package.

Map 2. Governments reporting seizures of substances not listed in Table I or Table II of the 1988 Convention on form D and through PICS, 2018–2021



25. On 19 May 2021, the Narcotics, Drugs and Psychotropic Substances (Control) (Amendment) Act, 2020, was enacted by the National Assembly of Kenya and is now awaiting the assent of the President of Kenya. The Act defines precursors and chemical substances that could be used in the manufacture of narcotic drugs and the penalties applicable to persons who manufacture, possess or transport precursor chemicals for the unlawful manufacture of a narcotic drug. The Act also designates the Cabinet Secretary responsible for internal security as the official charged with establishing the necessary regulations related to precursor chemicals, including changes to the scope of controls.

26. In May 2021, the Government of Myanmar added APAAN to its list of chemicals under national control. APAAN can be used for the illicit manufacture of amphetamine and methamphetamine and has been under international control since October 2014. Myanmar also applies a system of individual authorizations to the import and export of MAPA, the designer precursor of amphetamine and methamphetamine most recently placed under international control. However, MAPA has not yet been formally listed as a controlled precursor chemical in the country.

27. Effective 9 June 2021, the Government of the United States included three amphetamine-type stimulant precursors, namely, 3,4-MDP-2-P methyl glycidic acid, its methyl ester and APAA, all of which have been under international control since November 2019, as list I regulated chemicals under the Controlled Substances Act.

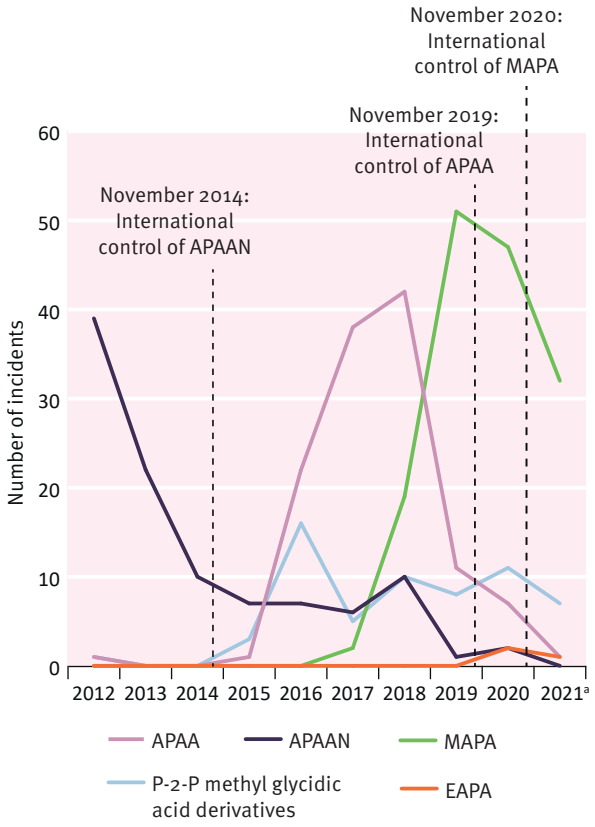
28. In China, those same three substances and MAPA were added to category II of the list of precursors under national control, effective 20 September 2021; benzyl cyanide and GBL were added to category III of the list on the same date. Effective 13 August 2021, Hong Kong, China, amended schedule 2 of the Control of Chemicals Ordinance (Cap. 145) in order to impose control over MAPA and its salts (whenever the existence of such salts is possible).

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

29. Non-scheduled chemicals, that is, substances not listed in Table I or Table II of the 1988 Convention that can be used to illicitly manufacture, or substitute for, controlled precursors, have been encountered in all regions of the world (see map 2).

30. The challenges that non-scheduled chemicals, including designer precursors, pose to international drug control efforts are now widely recognized. Adding priority chemicals to the tables of the 1988 Convention remains the most effective measure to achieve global action in this regard. However, with regard to designer precursors, an analysis of seizure data communicated through PICS relating to recently scheduled designer precursors of P-2-P, and subsequently amphetamine and methamphetamine, showed that, after their international scheduling (sometimes even soon after the initiation of the scheduling process), the number of incidents involving those chemicals decreased significantly and instead alternative non-scheduled precursors emerged (see figure I).

Figure I. Incidents involving selected designer precursors of P-2-P communicated through PICS, 2012–2021



[a] Data only cover the first 10 months of 2021.

31. During the reporting period, INCB undertook several activities aimed at raising awareness, advancing international policy dialogue, and facilitating consensus and building momentum for global action in relation to non-scheduled chemicals and designer precursors. Specifically, the Board conducted four high-level policy dialogues with Member States and technical experts, and also carried out a global survey on the topic.

32. The activities described below are part of the Board's nearly decade-long involvement in addressing the issue of non-scheduled chemicals and designer precursors. They build upon the normative approach advanced by the Board in recent years, most notably in the conference room paper the Board submitted to the Commission on Narcotic Drugs at its sixty-third session, in March 2020, entitled Options to address the proliferation of non-scheduled chemicals, including designer precursors — contribution to a wider policy dialogue, as well as in specific thematic chapters of its reports on precursors for 2014 and 2018.

33. In November 2020, a consultation with Member States was held on the margins of the 129th session of the Board to commemorate the thirtieth anniversary of the entry into force of the 1988 Convention. Participants in the consultation reviewed the functioning of the international precursor control system since its inception and agreed that the need to address the proliferation of non-scheduled chemicals and designer precursors was the most critical challenge facing the international precursor control framework.

34. At the sixty-fourth session of the Commission on Narcotics Drugs, held in April 2021, INCB issued a statement as part of a policy discussion on the challenges and future work of the Commission, the World Health Organization and INCB in the review of substances for possible scheduling recommendations. During the same session of the Commission, a side event was organized by the Government of the United States, with the support of the European Union and INCB, that highlighted the need for further global dialogue to address the challenges posed by the proliferation of non-scheduled chemicals and designer precursors in a global and comprehensive manner.

35. To support the global dialogue, INCB held a series of focused international consultations. The first technical consultation was held in June 2021, with the objective of developing a list of actionable, concrete and practical solutions to those challenges. Approximately 60 participants from 20 countries and several international organizations shared relevant national legislative and policy experiences and deliberated on possible global measures and approaches. Experts assessed the viability and applicability of a set of practical solutions presented during the discussions and acknowledged the need for continued multi-stakeholder engagement on this topic as a priority for the international precursor control system.

36. The first technical consultation was followed by a broader consultation held in October 2021 involving the participation of 70 Governments and five international and regional organizations, as well as representatives of the chemical industry. Their input, together with a review of the technical solutions discussed at the consultation held in June, contributed to further developing a list of global measures and approaches that Governments could consider in responding to this issue. The resulting document, entitled "Proliferation of non-scheduled chemicals and designer precursors: options for global action", enumerates such measures and approaches, and will be made available by the Board to Governments as a guidance document.

37. In June 2021, as part of a survey on national legislation on drug precursors, INCB examined the timeliness and extent of the implementation by Governments of the scheduling decisions of the Commission on Narcotic Drugs. The survey also explored whether and under which

circumstances Governments may be able to cooperate on and investigate cases involving chemicals that are not under national control but that have been identified on illicit drug markets.

38. INCB commends the 62 Governments, and the European Commission, that replied to the survey for their valuable and detailed information. Of those Governments, 14 (23 per cent) indicated that one or more of the substances scheduled in Table I of the 1988 Convention since 2017 were not yet under national control. Regarding the process that follows the communication to countries of the scheduling of new substances by the Commission on Narcotic Drugs, the survey indicates that while a few countries initiate the national scheduling process early on, the majority implement the scheduling decisions of the Commission between roughly 6 and 15 months after they have been formally notified. Several Governments also provided information about voluntary action they may be able to take on chemicals not under national control. Chapter IV of the present report provides an account of the domestic control measures applied by Governments.

39. To complement the policy dialogues and other activities on this matter, INCB has developed technical tools to assist competent national authorities in increasing their capacity to identify and respond to the ever-increasing range of non-scheduled chemicals and assess the risk of their potential use in illicit drug manufacture. Among them is the limited international special surveillance list of non-scheduled substances, which is aimed at alerting authorities to the possible misuse of listed chemicals in illicit drug manufacture. The list was revised in 2021 to include another group of chemical derivatives now frequently used to mask precursors and circumvent controls. Another tool released in 2021 is the publication entitled "Precursor Chemical Monographs 2020", which includes technical information on nearly 100 chemicals, including designer precursors. The UNODC Regional Office for South-East Asia and Pacific in Bangkok provided financial support for the production of the publication and its translation into Chinese.

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

40. In accordance with Economic and Social Council resolution 1995/20, INCB requests Governments to provide data, voluntarily and confidentially, on licit trade in, uses of and requirements for substances listed in Tables I and II of the 1988 Convention. 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.

41. As at 1 November 2021, 112 Governments had submitted data on licit trade in substances in Table I or Table II of the 1988 Convention, and 103 Governments had furnished data on the licit uses of and/or requirements for one or more of those substances (see annex IV).

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

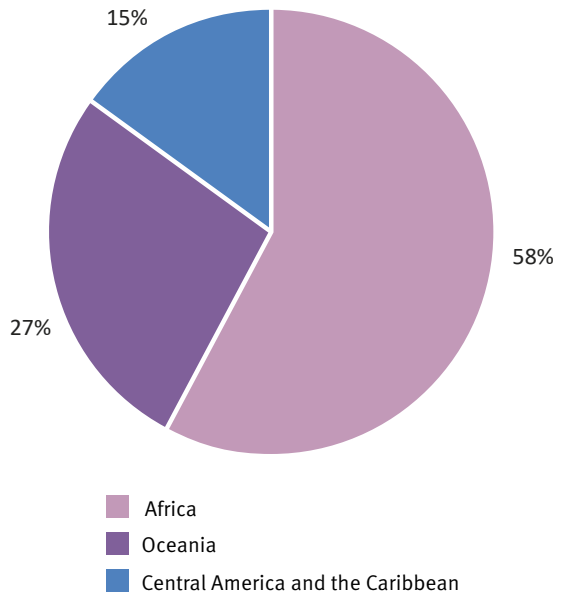
42. In its resolution 49/3, the Commission on Narcotic Drugs requested Member States to provide to INCB estimates of their annual legitimate requirements for 3,4-MDP-2-P, pseudoephedrine, ephedrine and P-2-P, and, to the extent possible, estimated requirements for preparations containing those substances that could be easily used or recovered by readily applicable means. The main objective of estimating such requirements is to provide the competent authorities of exporting countries with an indication of the amounts legitimately required by importing countries, with a view to putting individual shipments, as well as more established patterns of trade, into perspective and enabling better monitoring and control. The estimated annual legitimate requirements for imports of the above-named precursors of amphetamine-type stimulants as reported by Governments are presented in annex V to the present report. Regular updates on these requirements are available on a dedicated page of the INCB website.[7]

43. During the reporting period, Governments continued to report to INCB estimates of their annual legitimate requirements for imports of precursors of amphetamine-type stimulants and preparations containing such precursors, mostly on form D and, to a lesser extent, by means of individual communications during the year. As at 1 November 2021, 179 Governments had provided at least one such estimate. This figure includes the Governments of Dominica, Gabon, Grenada, Kuwait, Micronesia (Federated States of), the Niger and North Macedonia, which submitted annual legitimate requirements for the first time. It also includes the Governments of a number of territories, as well as States that are not yet parties to the 1988 Convention. As at the same date, a total of 25 countries, including 21 States parties to the 1988 Convention,

[7] www.incb.org/incb/en/precursors/alrs.html.

had not yet provided any estimates to the Board;[8] 58 per cent of those countries were in Africa, followed by 27 per cent in Oceania and 15 per cent in Central America and the Caribbean (see figure II).

Figure II. Proportion of countries that had not yet provided any estimated annual legitimate requirements for precursors of amphetamine-type stimulants to INCB as at 1 November 2021, by region



44. Since the publication of the Board's 2020 report on precursors, 120 countries and territories have reconfirmed or updated their estimates for at least one of the substances. However, some estimates provided to INCB more than 10 years ago have not been updated since then. Overall, more than 80 Governments have not updated their estimates; some for one year and some for several years in a row.

45. Table 2 presents the 10 countries with the largest estimated annual legitimate requirements for ephedrines and pseudoephedrines, based on the latest data available to INCB.

46. In several countries, proposed shipments of precursors of amphetamine-type stimulants pre-notified through PEN Online exceeded or were close to reaching the estimated annual requirements for the period concerned at the time of the pre-notification, prompting follow-up communication by INCB with the respective competent national authorities. Conversely, a number of countries had indicated annual legitimate requirements that exceeded by far the amounts actually imported or pre-notified to them for import, suggesting unrealistically high estimated requirements in the first place. **INCB invites Governments to conduct an assessment of the methodology used to estimate their annual legitimate requirements for individual precursors, as well as of the figures provided, as published on the Board's website, with a view to more accurately reflecting changing market conditions, and to provide updates to the Board, at any time throughout the year, on any necessary changes.**

Table 2. The countries with the largest estimated annual legitimate requirements for ephedrines and pseudoephedrines, as at 1 November 2021

Ranking	*Ephedrines*[a]	*Pseudoephedrines*[a]
1	India	India
2	Republic of Korea	United States
3	China	Switzerland
4	Indonesia	China
5	Nigeria	Egypt
6	Pakistan	Pakistan
7	Singapore	Indonesia
8	Canada	United Kingdom of Great Britain and Northern Ireland
9	Egypt, Japan	Canada
10	Ghana	Turkey

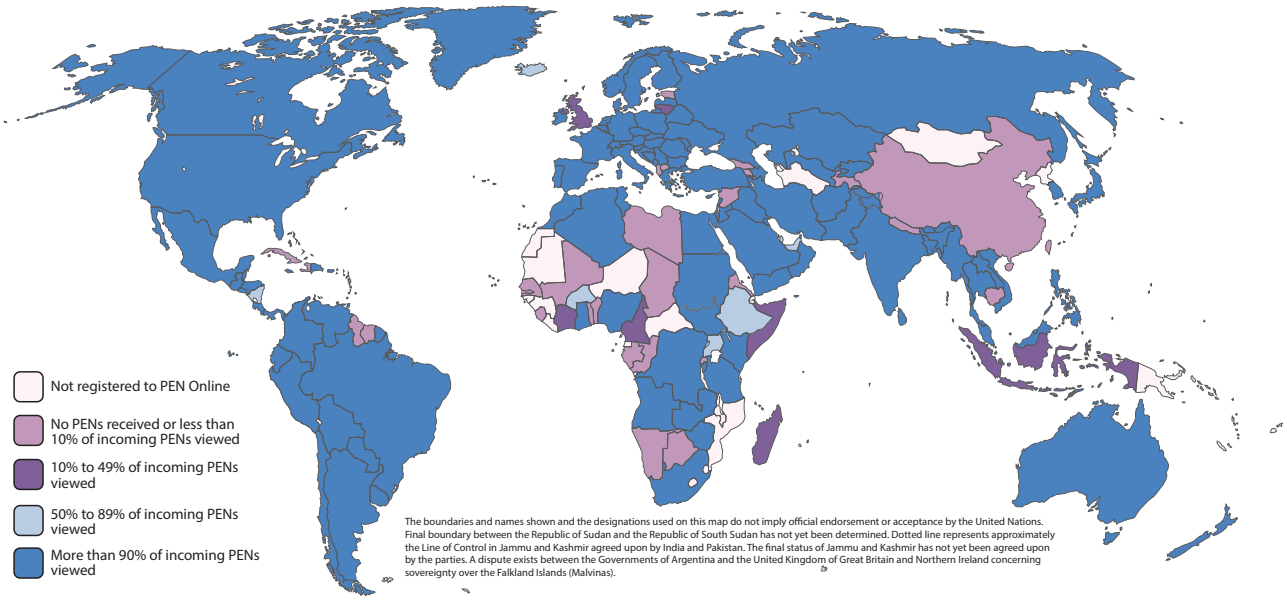
[a] Includes ephedrine and pseudoephedrine in the form of their respective pharmaceutical preparations.

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

47. Pre-export notifications are at the core of the system of monitoring of international trade in substances in Table I and Table II of the 1988 Convention. For the international precursor control system to be effective, Governments must implement two complementary measures, namely, the invoking of article 12, subparagraph 10 *(a)*, of the 1988 Convention and registering with and using the INCB PEN Online system. While the former makes it mandatory for the authorities of exporting countries to send pre-export notifications, the latter ensures that such notifications are exchanged in real time, thus enabling the authorities of importing countries to verify the legitimacy of shipments destined for their territory before the shipments leave the exporting country.

[8] Those countries are: Angola, Antigua and Barbuda, Bahamas, Burkina Faso, Central African Republic, Chad, Comoros, Congo, Djibouti, Equatorial Guinea, Eswatini, Kiribati, Lesotho, Liberia, Libya, Mauritania, Nauru, Niue, Saint Kitts and Nevis, Samoa, Somalia, Togo, Tonga, Tuvalu and Vanuatu.

Map 3. Use of the PEN Online system, as a percentage of the pre-export notifications viewed, 2020



1. Pre-export notifications

48. As at 1 November 2021, 116 countries and territories had formally requested pre-export notifications (see annex VI). Since the publication by the Board of its report on precursors for 2020, one more Government, Iceland, has invoked article 12, subparagraph 10 *(a)*, of the 1988 Convention for all substances in Table I and Table II of the Convention. In addition, the Government of Malaysia has amended its initial request to now include all substances in Tables I and II (see annex VI). **The Board welcomes adjustments to the requests for pre-notifications to reflect changes in national controls and emphasizes the need for Governments to regularly review their import and export systems applicable to substances controlled under the 1988 Convention and to communicate any updates to INCB.**

49. **The Board furthermore calls on the remaining Governments, particularly those of countries in Africa and Oceania, that have not yet invoked the provisions of article 12, subparagraph 10 *(a)*, to do so 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

50. As at 1 November 2021, 166 countries and territories had been authorized to access PEN Online, the Board's automated online system for the exchange of pre-export notifications. This figure includes the Government of Gabon, which has been registered as a user of the PEN Online system since 1 November 2020. The number of pre-export notifications communicated through the system has remained stable, with an average of 2,800 notifications per month during the reporting year. The situation with regard to Oceania remains a concern to the Board, as only five Governments in the region (31 per cent of the Governments in the region) have registered to use the system. **The Board encourages all Governments, in particular those in Oceania, to make use of this cost-free tool in order to receive advance notification of proposed shipments of controlled precursor chemicals destined for their territories.**

51. The number of notifications made through the PEN Online system has remained constant over the past several years. Since 1 November 2020, more than 34,200 pre-export notifications have been submitted by 67 exporting countries and territories through the PEN Online system. The Board is pleased to note that the Government of Uzbekistan has begun to send pre-export notifications to importing countries.

52. One of the most effective means to prevent the diversion of controlled precursor chemicals is to promptly act upon receipt of a pre-export notification to verify the legitimacy of the shipment in question and then provide feedback to the exporting authority. A timely response makes it possible to stop an unwanted consignment before it is exported and consequently enables an investigation to be launched or a controlled delivery to be arranged. Compared with the previous reporting year, a slight improvement has been noted regarding the number of registered importing Governments viewing pre-export notifications (see map 3),

whereas the number of Governments responding to such notifications remained the same. Less than 6 per cent of pre-export notifications were objected to during the reporting year. Similar to previous years, many of those objections were raised for administrative reasons. **INCB reiterates its recommendation that the authorities of exporting countries include all available details, especially 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.** Both measures help to avoid unnecessary administrative objections and delays of shipments.

53. The Board has noted that some Governments seem to consider it sufficient to only register with the PEN Online system, without viewing and acting upon incoming pre-export notifications. This appears to be the case for about 20 per cent of all registered countries and territories, which are authorized to access the system but fail to use it actively (see map 3). **INCB therefore again reiterates its recommendation to importing Governments that are registered as users of the PEN Online system to regularly view all transactions and to respond to exporting authorities in a timely manner where necessary.**

H. Other activities and achievements in international precursor control

1. Project Prism and Project Cohesion

54. The two operational projects of INCB, Project Prism and Project Cohesion, continued to serve as platforms for 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).[9] The two projects currently bring together operational focal points from law and regulatory enforcement authorities of more than 140 Governments worldwide.

55. During the reporting period, the Board conducted a targeted, time-bound operation, known as Operation Acronym, aimed at addressing the diversion of precursors using the Internet (specifically, the surface web) and to obtain information about regulatory controls over seven recently scheduled precursors of amphetamine-type stimulants and of fentanyl, as well as an additional seven non-scheduled chemicals.

56. The operation involved the participation of 34 Governments[10] and four international organizations.[11] In addition, three business-to-business platforms based in India and four in the Republic of Korea shared, through the respective competent national authorities and on a voluntary basis, details of suspicious postings involving the target substances (precursors and pre-precursors of amphetamine-type stimulants and fentanyl).

57. Operation Acronym revealed a change in the pattern of Internet posts related to precursors compared with earlier Internet posts, in particular those related to acetic anhydride published during the period 2016–2018. Unlike in the past, when more requests from buyers were observed, most of the current Internet posts involved offers to sell or supply the target chemicals. Furthermore, the use of anonymizing tools, including secure virtual private network and messenger services, was also relatively more frequent, revealing the unique challenges that investigating such posts presents to law enforcement authorities. Thus, while some suspicious posts related to precursors disappeared during the operation, others continued to be observed even after the conclusion of the operation. The absence of controls over, inter alia, domestic manufacture, trade and distribution in respect of the recently scheduled precursors, some of which have no known legitimate uses, emerged as one of the key factors for the use of such substances for illicit drug manufacture.

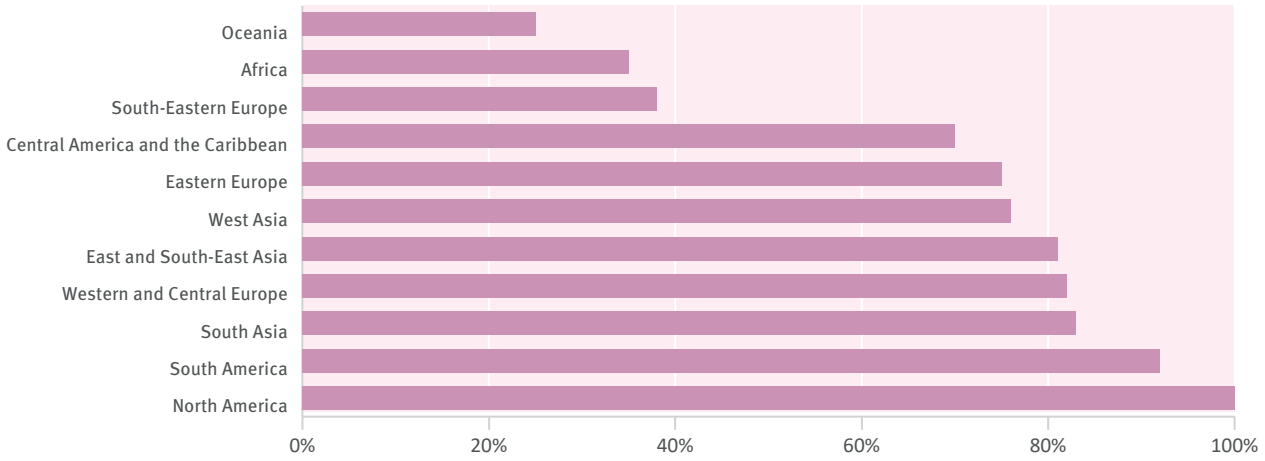
58. Operation Acronym therefore underscored the need for Governments to place increased emphasis on cybercrime investigation relating to precursors, in addition to working closely with Internet service providers, email and social media services and business-to-business Internet platforms to provide an effective deterrent to the exploitation of the surface web for precursor trafficking. The Board is developing tools and resources and other capacity-building initiatives to support Governments' efforts in this regard. **The Board encourages Governments to support each other and such initiatives of the Board by putting in place the following measures: *(a)* timely and effective domestic control measures over internationally scheduled precursor chemicals; *(b)* partnerships with the relevant Internet, social media and business-to-business companies; *(c)* dedicated units with the requisite capacity to monitor the surface web; and *(d)* investigative mechanisms to**

[9] A 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.

[10] Afghanistan, Armenia, Bosnia and Herzegovina, China, Costa Rica, Czechia, Denmark, France, Germany, Hungary, India, Iraq, Italy, Latvia, Lebanon, Lithuania, Luxembourg, Myanmar, Philippines, Poland, Republic of Korea, Russian Federation, Senegal, Sierra Leone, Slovakia, South Africa, Spain, Thailand, Ukraine, United Arab Emirates, United Republic of Tanzania, United States, Viet Nam and Yemen.

[11] CICAD, INTERPOL, the European Commission and WCO.

Figure III. Use of PICS by region, as a percentage of the countries in each region that had registered PICS users, as at 1 November 2021



probe the leads obtained through voluntary cooperation with the private Internet industry and Government-initiated monitoring.

59. 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). Six special alerts were circulated to focal points, including on EAPA and MAMDPA, two new designer precursors; the cancellation of an import licence of a company in Costa Rica; a seizure of fentanyl precursor chemicals in the Netherlands; new controls on fentanyl precursors in Mexico; and new results of Operation Missing Links related to an alternative precursor used in the illicit manufacture of amphetamine in "captagon" tablets. All past alerts are available to registered users of PICS.

2. Precursors Incident Communication System

60. PICS continued to provide registered users with a platform for the secure exchange of actionable, real-time information related to trafficking in substances in Table I and Table II of the 1988 Convention, as well as chemicals not under international control and essential drug manufacturing equipment. The system thus continued to facilitate global operational cooperation in precursor-related matters and to serve as a global early warning system for chemicals.

61. As at 1 November 2021, PICS had more than 600 registered users from 127 countries and territories, representing more than 300 agencies in all regions (see figure III).[12] More than 3,400 incidents have been communicated through PICS since its establishment in 2012. During the reporting period, almost 300 new precursor-related incidents involving almost 800 individual substance-related communications were communicated through the system. Incidents occurred in all regions of the world and involved 13 substances in Table I of the 1988 Convention, 7 substances in Table II and 32 substances included in the international special surveillance list. Incidents involving more than 40 additional non-scheduled substances that are not included in Tables I and II or in the international special surveillance list were also communicated. Some of the incidents involved multiple substances, in particular in the cases involving clandestine laboratories.

62. The Board would once again like to commend Governments for sharing incidents involving precursors and actionable information through PICS. The identified connections between several seizures of acetic anhydride labelled as "motor oil" affirm the importance of sharing details regarding seizures of precursors, including pictures of labels and packaging of seized precursors and the details of the companies involved (see para. 174 below). In addition to the initiation of joint backtracking investigations into interlinked seizures of precursors to prevent future trafficking involving the same criminal networks, the details of the seizures may also assist PICS users in analysing the latest modi operandi used by traffickers and updating risk profiles used to identify trafficking in precursors across borders.

3. Cooperation with industry

63. Cooperation with industry, including its voluntary component, as an integral part of the implementation of article 12, paragraph 9 *(a)*, of the 1988 Convention, has come to play an increasingly significant role in global precursor control efforts. Timely cooperation between national authorities and relevant sectors of industry serves

[12] Governments 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.

to ensure effective and sustainable prevention of diversion of precursors, including non-scheduled chemicals and designer precursors used for illicit purposes.

64. It is clear that industry cooperation is an ongoing effort that requires continued attention and adjustment to changing circumstances, as illustrated by the following example. In 2020, Germany identified a diversion scheme that involved a company known as a reliable producer of chemical mixtures for use in the automotive industry. The company was found to have misused its legitimate business for illicit purposes for many years, ordering a number of chemicals in bulk amounts from several traders in Germany and other European countries, transferring them to unlabelled jerry cans on the premises of the company and then smuggling them into the Netherlands for use in illicit drug manufacture. Seizures made as a result of the investigation involved chemicals in Table II of the 1988 Convention and chemicals not under international control, including about 1,400 litres of acetone, 2,300 litres of hydrochloric acid, 1,600 litres of formamide, 950 litres of formic acid and 620 kg of tartaric acid. The German offenders were sentenced to several years' imprisonment.

65. During the reporting period, the Board continued to support Governments in their efforts to establish and implement cooperation with industry. Industry has a crucial role to play in preventing chemicals from being diverted into illicit channels. Sharing suspicious orders and transactions with national authorities enables those authorities to alert other companies in the same country, as traffickers may approach them with similar requests or orders. Sharing such information at the international level, with all competent national authorities, through INCB, amplifies the value of the information provided and thus serves to prevent traffickers from obtaining the respective chemicals elsewhere. In a number of countries, the mechanism for notifying and reporting suspicious orders and transactions is extended to substances not included in the tables of the 1988 Convention, including those of international concern that are listed on the international special surveillance list.

66. In August 2021, the Board invited all Governments to provide it with relevant information, experiences and lessons learned in relation to cooperation with industry in the area of drug precursors and non-scheduled chemicals used in illicit drug manufacture. Such information will contribute to taking stock of the nature and scope of different national cooperation mechanisms worldwide and will serve as a basis for a compilation of good practices, concrete scenarios and case studies aimed at transferring knowledge and sharing lessons learned among Governments. The compilation will complement the Board's guidance materials related to industry cooperation that are already available to competent national authorities on the Board's secure website.

67. Since 2016, the Board has encouraged and supported the concept of twinning, with a view to promoting industry cooperation in the area of precursor control more widely. The twinning is carried out by counterparts from the public and industry sectors from countries that already have well-established cooperation arrangements with industry, to assist interested Governments throughout the process of establishing and implementing such cooperation.

68. A recent example demonstrating that twinning can be a practical and useful tool is the successful cooperation between authorities in France and Switzerland with those in the United Republic of Tanzania, which resulted in the formalization of cooperation between the authorities and the relevant sectors of industry in the latter country. Specifically, on 31 August 2021, the authorities of the United Republic of Tanzania signed a memorandum of understanding with two pharmaceutical associations and a number of chemical companies. Furthermore, at the time of writing the present report, a voluntary code of practice was being finalized in the country. **The Board acknowledges the contributions of the Governments of France and Switzerland and commends the progress made by the United Republic of Tanzania. The Board welcomes initiatives taken by Governments in this area.**

69. **The Board wishes to reiterate the importance of cooperation with industry and encourages Governments to continue their efforts to establish and implement such cooperation. While the nature, extent and scope of cooperation with industry remains within the purview of individual countries, INCB wishes to highlight the importance of entering into engagements between national regulatory authorities and relevant sectors of industry, in particular with a view to addressing the proliferation of non-scheduled chemicals and designer precursors.**

4. International cooperation in, and other international initiatives focusing on, precursor control

70. The successes achieved in international precursor control efforts are a direct result of the extent of coordination and cooperation among national, regional and global counterparts and partners. INCB has long-standing partnerships with INTERPOL, UNODC and WCO, as well as with regional entities, including the European Commission and CICAD.

71. All of the above-mentioned partners are members of the INCB Precursors Task Force and cooperate on

operational aspects of international precursor control. The scope of cooperation also includes ad hoc partnerships, collaboration in meetings and training initiatives and regular exchanges of expertise and know-how in areas of common interest. The following paragraphs summarize aspects of and recent key developments relating to cooperation between INCB and some of its international and regional partners on matters concerning precursor control.

International Criminal Police Organization (INTERPOL)

72. Cooperation with INTERPOL is focused on the exchange of operational information related to precursor incidents. The Board's special alerts on precursors are disseminated to all INTERPOL member countries through the respective national central bureaus of INTERPOL. Likewise, the INTERPOL precursor-related notices on modus operandi, concealment methods and other operational information are shared through the Board's network of precursor focal points. During the reporting period, six alerts and notices were exchanged between the two organizations. INTERPOL also participated in Operation Acronym (see para. 55 above).

United Nations Office on Drugs and Crime

73. During the reporting period, INCB continued to work with UNODC on the different language versions of the United Nations Toolkit on Synthetic Drugs, specifically, the module on precursors, which at the time of writing was available in Chinese, English and Spanish. The module provides information about drug precursors and the international precursor control system, as well as the two key elements critical to preventing chemicals from reaching clandestine laboratories used for the illicit manufacture of drugs, namely: *(a)* monitoring of legitimate international trade; and *(b)* investigations into suspicious shipments, attempted diversions and seizures of precursors. The module includes links to information and materials available to all readers, as well as links with access restricted to Government officials.

74. INCB promotes and benefits from cooperation with the field office network of UNODC. Specifically, the UNODC Regional Office for South-East Asia and the Pacific has a dedicated regional precursor programme that is aimed at supporting Governments in the region, including through regional mechanisms such as the Association of Southeast Asian Nations and the Mekong Memorandum of Understanding on drug control, in efforts to prioritize precursor control and comply with the 1988 Convention. To that end, UNODC conducted reviews of the national situations and existing frameworks regarding precursor control in the region and provided relevant training to competent national authorities on various aspects of precursor control, including the required reporting to INCB, cooperation between different agencies at the national level responsible for precursor control, case investigations, public-private partnerships, the use of INCB tools and of hand-held devices for field identification, and basic concepts of safe disposal of seized chemicals. The specific activities in the region complement and reinforce the Board's global approach and help to advance precursor control at the regional level.

75. In addition to the above-mentioned activities, INCB and the Regional Office for South-East Asia and the Pacific maintained a regular channel of communication and exchange of information, including on special operations focused on the cross-border trafficking of precursor chemicals in the region, such as Operation Mekong Dragon II, carried out in collaboration with the WCO Regional Intelligence Liaison Office for Asia and the Pacific, and Golden Triangle Operation 1511.

76. INCB regularly works with other UNODC country and regional offices. During the reporting period, the Board worked with the offices in Afghanistan, Iran (Islamic Republic of), Panama and the United Arab Emirates, in particular in relation to activities aimed at raising awareness among the countries concerned regarding Internet-facilitated trade in precursors, as well as the Board's time-bound, targeted operation known as Operation Acronym.

77. INCB has also been one of the partner organizations of the Paris Pact initiative since its inception in 2003.[13] In particular, INCB has assisted in conceptualizing recommendations of the Paris Pact expert group on precursors for national regulatory and law enforcement authorities and international agencies and has also actively supported their implementation. Moreover, the Board has a long-standing history of cooperation with the UNODC Regional Working Group on Precursors, which brings together law enforcement agencies from the countries of West and Central Asia and supports the planning of operational activities related to chemicals used in the manufacture of heroin and methamphetamine in the region.

World Customs Organization

78. WCO is the custodian of the Harmonized Commodity Description and Coding System, generally referred to as the "Harmonized System" or simply "HS", an international product nomenclature. The Harmonized System contributes to the harmonization of customs and trade procedures by enabling the uniform identification of

[13] The Paris Pact Initiative, led by the Paris Pact Coordination Unit located in UNODC, provides a multilateral framework for the fight against opiates originating in Afghanistan.

goods, thus reducing costs related to international trade. Importantly, it also facilitates the control of substances of international interest and the collection of statistics on their trade.

79. INCB and WCO work together, pursuant to Economic and Social Council resolution 1992/29 and in the context of a memorandum of understanding between the two entities, to ensure that a unique Harmonized System code is established for each precursor chemical under international control. With the entry into force of the 2022 edition of the Harmonized System nomenclature, in January 2022, unique Harmonized System codes for NPP and ANPP, the two fentanyl precursors under international control (see para. 9 above), came into effect.[14] In addition, during the reporting period, the WCO secretariat assisted with the identification of the applicable Harmonized System codes for chemicals not under international control. These codes, which are available on the Board's secure website for competent national authorities, enable Governments to initiate appropriate action under law when an item is misdeclared or mislabelled, thereby providing a means to address the smuggling of such chemicals.

80. During the reporting period, INCB also contributed to the updating of WCO reference materials, specifically, the document containing correlations between the Harmonized System and the tables of the 1988 Convention. The reference materials are aimed at facilitating the monitoring and control of precursor chemicals by customs authorities.

European Union and its agencies

81. The European Union is a party to the 1988 Convention, with the extent of its competence limited to article 12 of the Convention. In that capacity, the European Commission, in coordination with the 27 States members of the European Union, represents the European Union in matters relating to INCB and has been an important partner in advancing solutions to address the proliferation of non-scheduled chemicals and designer precursors (see para. 18).

82. During the reporting period, closer cooperation was established between INCB and EMCDDA, including through the Centre's access to PICS, to reflect the increased involvement of EMCDDA in the precursor-related mandate of the European Union. Recent cooperation with Europol has focused mostly on essential drug equipment in the context of article 13 of the 1988 Convention,[15] while cooperation with CEPOL has focused on the provision of training to European law enforcement officials on issues related to precursor diversion and trafficking, and more recently, on support provided by CEPOL experts to training activities related to cybercrime investigation and the cross-border exchange of electronic evidence. INCB has also engaged with Eurojust to capitalize on experiences gained from Eurojust support to European Union member States in prosecuting cases involving non-scheduled chemicals.

Other entities

83. In July 2021, INCB, at the request of the Caribbean Customs Law Enforcement Council, delivered a virtual training session to the members of the Council. A total of 95 participants, representing customs, police and immigration authorities of 11 Caribbean countries, received training on various matters concerning precursor control, including INCB tools and resources on precursors.

84. INCB was also requested to make a presentation focusing on emerging precursor chemicals and new psychoactive substances at an expert panel discussion on opioids held by the Roma-Lyon group of the Group of Seven.

85. **INCB would like to acknowledge the contributions of its international and regional partners in advancing precursor control efforts worldwide.**

[14] WCO has also been cooperating with INCB in a similar manner with regard to identifying the applicable, or establishing unique, Harmonized System codes for essential drug manufacturing equipment.

[15] See the INCB report on precursors for 2019 (E/INCB/2019/4), chap. IV.