

IV. Implications of conflict and unresolved territorial disputes for precursor control

185. While no country is immune from attempts by traffickers to obtain chemicals for illicit purposes, territories whose legal status is unclear or contested or that, at any given time, are not effectively under the control of an internationally recognized Government present an increased risk of being targeted by illicit operators. The scenarios that give rise to vulnerabilities related to precursor control vary in nature and include political instability, conflict and unresolved territorial disputes in various forms, civil war or prolonged civil unrest and post-conflict situations (places in which such scenarios exist are referred to as countries of conflict or conflict areas), as well as the absence of a recognized competent national authority for any other reason. Vulnerabilities in a given country may change over time.

186. INCB has, on several occasions, expressed its concern about the increasing number of territories where conflict, unresolved territorial disputes or other circumstances hinder the exercise of effective governmental control, thus increasing the risk of such territories being exploited by illicit operators for the diversion of chemicals and/or the illicit manufacture of drugs.³⁵ The Board has also, in the past, expressed concern about significant amounts of precursors, in particular ephedrine and pseudoephedrine, being pre-notified through the PEN Online system for export to conflict areas and about the absence of, or unrealistically high, estimates of annual legitimate requirements

³⁵INCB reports on precursors for 2016, 2017 and 2022 (E/INCB/2016/4, paras. 207–210; E/INCB/2017/4, paras. 49–54; and E/INCB/2022/4, para. 214).

for the substances on record with INCB, many of which have not been updated for several years. Governments' limited ability to interact with, and the Board's limited ability to respond to communications relating to, conflict areas add to the complexity of the issue.

187. The present chapter draws on observations made by the Board in the past 15 years. While there are more countries of conflict and situations of unresolved territorial disputes worldwide, the countries and territories discussed below illustrate concrete scenarios encountered by INCB. Most of them were addressed in the INCB report on precursors for the year in question. They were also the subject of several Project Cohesion and Project Prism alerts. While the specific circumstances in a country or territory may or may no longer prevail, the observations and lessons are applicable to similar situations in other conflict areas.

Import permits issued by entities other than the competent national authority

188. From 2016 to 2019, shipments of substantial amounts of pharmaceutical preparations containing pseudoephedrine were pre-notified to the **Kurdistan region of Iraq**, with the competent national authority in Iraq having objected to all shipments to that region.³⁶ In those cases, import permits were issued by the Ministry of Health in the Kurdistan region of Iraq. However, the designated competent authority for the national precursor control system was the Ministry of Health in Baghdad, and the agency in the Kurdistan region of Iraq was not empowered to authorize imports of precursors.

189. Diversion attempts involving the use of "import permits" issued by the Ministry of Health in the Kurdistan region of Iraq were also made between 2008 and 2013. At that time, the substance targeted by traffickers was acetic anhydride, and although the competent authority of Iraq, in cooperation with exporting countries, prevented the delivery of hundreds of tons of the substance, the lack of law enforcement investigations into the identity of the persons and companies responsible for placing suspicious orders for the substance meant that traffickers continued to attempt to obtain acetic anhydride through Iraqi companies for a number of years.

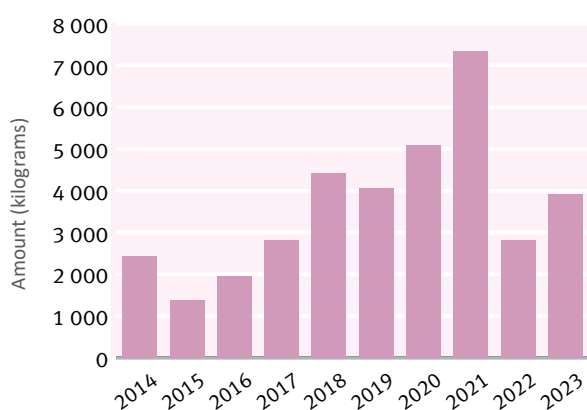
190. A similar instance occurred in Cyprus in 2016, when the authorities of an exporting country enquired with the

³⁶The situation was further compounded by the fact that pharmaceutical preparations containing ephedrine or pseudoephedrine are not as closely controlled as the raw materials they contain, and not all countries have been following the recommendations contained in various resolutions of the Commission on Narcotic Drugs and implemented legislation to treat preparations containing ephedrine and pseudoephedrine in the same manner as the precursors they contain.

competent authorities of Cyprus about the export of a shipment of 500 kg of pseudoephedrine to the **northern part of Cyprus** on the basis of an authorization issued by an entity there. The shipment was eventually stopped by the authorities of the exporting country on the grounds of their lack of recognition of the importing territory.

191. Another example is **Yemen**, a country affected by civil war since 2015. There was concern regarding the increasing amounts of ephedrines, in particular pseudoephedrine, both in the form of pharmaceutical preparations and raw material, that were proposed for import to Yemen since the beginning of the civil war (see figure 23), in combination with insufficient monitoring through the PEN Online system. In mid-2020, INCB was informed of the relocation of the office of the competent national authority of Yemen from Sana'a to Aden, accompanied by the nomination of a new focal point for matters related to the three international drug control conventions. In the two-year period before January 2021, when a new user of the PEN Online system was registered, competing interests between the new office in Aden and the office in Sana'a that had previously represented the competent national authority affected the authorization of proposed shipments of precursors through the PEN Online system. In view of the amounts pre-notified and difficulties in verifying the legitimacy of orders, INCB encouraged the authorities of exporting countries to be vigilant about pseudoephedrine shipments to Yemen, in order to prevent their diversion into illicit channels while ensuring that the supply of pseudoephedrine for legitimate purposes remained adequate.

Figure 23. Proposed shipments of pseudoephedrine (raw material and preparations combined) to Yemen notified by exporting countries through the PEN Online system, 2014–2023^a



^aThe data for 2023 cover only the first 10 months of the year.

Insufficient monitoring by importing countries and territories of legitimate trade

192. International trade in precursors outside the PEN Online system, which has become the central global system for the exchange of pre-export notifications pursuant to article 12, paragraph 10 (a), of the 1988 Convention, brings about a higher risk of diversion. This applies to countries of conflict as well as, more generally, any importing country not using the system, or not using it actively, to monitor incoming notifications. Of particular concern is the trade in pharmaceutical preparations containing scheduled precursors, especially ephedrine and pseudoephedrine, which INCB and the Commission on Narcotic Drugs have recommended be monitored in the same manner as the trade in the precursors that those preparations contain. Preparations containing ephedrine and pseudoephedrine are frequently used in the illicit manufacture of methamphetamine.

193. The authorities of a number of countries of conflict are registered to use the PEN Online system; however, they do not view incoming pre-export notifications on a regular basis. As a result, trade may proceed without oversight or assurance about a shipment's end purpose or destination. Some examples of which INCB is aware that illustrate different manifestations of the issue are provided below.

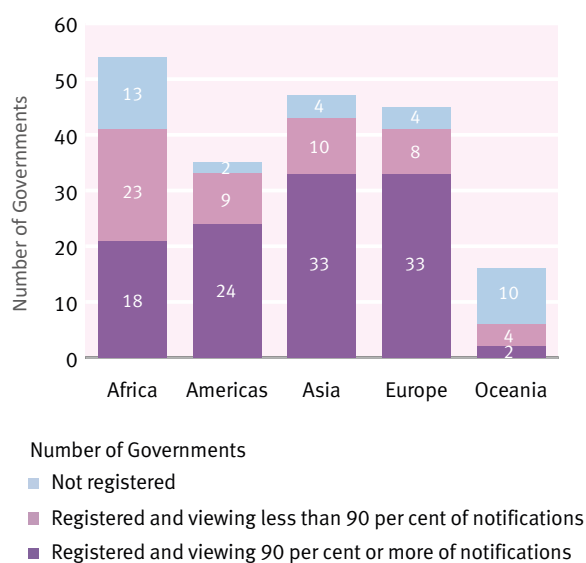
194. The political situation in **Libya** has led to a period of inactivity on the part of the authorities in relation to the monitoring of proposed shipments of precursors into the country. Over this period of three and a half years, 16 shipments of more than 100 kg each, amounting to a total of more than 2.8 tons of pseudoephedrine in the form of pharmaceutical preparations, were pre-notified through the PEN Online system. Given the lack of response by the Libyan authorities, including to the Board's enquiry, these shipments may have proceeded to the country without the authorities having been aware of them. In October 2022, the Libyan authorities resumed their active use of the PEN Online system and cooperation on suspicious transactions, and have objected to several proposed shipments, including four shipments of pseudoephedrine preparations.

195. In **Somalia**, the Ministry of Health and Human Services in Mogadishu is registered for and uses the PEN Online system, even though the country is not yet a party to the 1988 Convention. In July 2022, in response to an enquiry from INCB, shipments to Somalia of sizeable amounts of pharmaceutical preparations containing pseudoephedrine were stopped by the authorities of the exporting country. However, prior to that, shipments totalling nearly 1 ton of pseudoephedrine preparations appear to have proceeded on the basis of the absence of an objection by the Somalian

authorities through the PEN Online system and an import certificate that was later confirmed by the competent authority of Somalia as having been forged. Following that, the competent authority requested that, as a matter of general practice, a copy of the import permit be attached to any pre-export notification in order to enable it to verify the permit's authenticity. That practice has since been implemented by the exporting country concerned. The case illustrates the need for importing Governments to object to suspicious shipments in a timely manner or request more time to scrutinize them.

196. Insufficient use of the PEN Online system is a matter of concern with regard to many countries in Africa. In 2022, a total of 36, or two thirds, of all Governments on the continent were not registered or did not regularly view incoming pre-export notifications (see figure 24). This included a number of countries in West and Central Africa in which conflicts had recently (re)surged, such as **Burkina Faso, the Central African Republic, Chad, Gabon, Guinea, Mali and the Niger**.

Figure 24. Level of utilization of the PEN Online system, by region, 2022



Insufficient monitoring by exporting countries and territories of legitimate trade

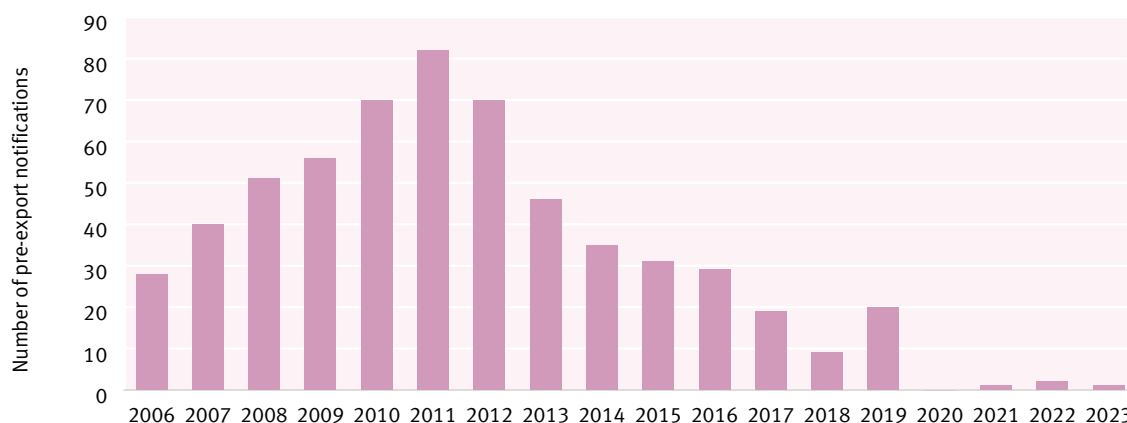
197. The voluntary provision by importing countries of licit trade data on form D provides an indication of the role of other countries and territories as exporters of controlled precursors, even though those exports might not have been pre-notified through the PEN Online system and might not have been reported to INCB on form D.

198. A specific scenario arises in relation to **Taiwan Province of China**. The voluntary provision by importing countries of licit trade data provides an indication of the province's role as a notable exporter of substances in Table I of the 1988 Convention. For example, the Province accounted for 10 per cent of the total quantity of norephedrine exports declared by importing countries on form D during the period 2018–2022. In that period, 14 countries reported imports of precursors from Taiwan Province of China on their form D. In addition, although Taiwan Province of China is not a registered user of the PEN Online system, more than 2,200 pre-export notifications (for various precursors) were sent to the Province by 16 exporting countries through the PEN Online system in the period from 1 January 2018 to 31 December 2022.³⁷ They would have reached the recipient selected by the exporting country's PEN Online system user by email.

199. Exports from Taiwan Province of China pose challenges to the authorities of importing countries, as shipments may reach them without prior notification, resulting in some cases in cancellation and rejection, with the shipment being returned. In addition, exports from Taiwan Province of China have supplied the pharmaceutical industry in the **Syrian Arab Republic**, including after the beginning of the conflict in March 2011. According to self-reported data on imports of pseudoephedrine into the Syrian Arab Republic, the major supplier of pseudoephedrine to the country was Taiwan Province of China, which had supplied, on average, 50 per cent of amounts reported during the period 2012–2016. The quantities of ephedrines pre-notified for export to the Syrian Arab Republic started to decline in 2013, as a result of increased awareness among exporting countries, INCB enquiries and a Project Prism special alert issued in September 2012. A series of measures taken by the Syrian authorities, including a temporary moratorium on the approval of pseudoephedrine imports in 2015, which was subsequently extended several times until the end of 2018,³⁸ also contributed to this decline. Consequently, shipments of only very small amounts of ephedrines have been pre-notified to the Syrian Arab Republic by the 169 countries and territories using the PEN Online system. In fact, the number of pre-export notifications for proposed shipments of precursors to the Syrian Arab Republic has fallen significantly since 2011, with no exports having been pre-notified through the system since 2019 (see figure 25).

³⁷Data from the PEN Online system.

³⁸INCB reports on precursors for 2015, 2016 and 2017 (E/INCB/2015/4, para. 71; E/INCB/2016/4, para. 30; and E/INCB/2017/4, para. 54). INCB is unaware of the status of the moratorium since the end of 2018.

Figure 25. Total number of pre-export notifications sent to the Syrian Arab Republic, per year, 2006–2023^a

^a The data for 2023 cover only the first 10 months of the year.

Countries of conflict and illicit drug manufacture

200. The diversion of precursors in or through conflict areas and illicit drug manufacture in areas outside governmental control may also contribute to the frequently noted discrepancies between the quantities of precursors reported seized and the quantities of the corresponding drugs seized (see figure 6 above).

201. In the past, INCB has led two international, time-limited initiatives aimed at shedding light on these discrepancies. One initiative, Operation EPIG, was conducted in 2013 and was aimed at addressing the concerns of the authorities of exporting countries and INCB about the final destination of ephedrine and pseudoephedrine shipped to or through conflict areas, in particular in North Africa and the Middle East. The other initiative, known as Operation Missing Links, was conducted from 2016 to 2017 and was aimed at closing intelligence gaps concerning the chemicals used in the illicit manufacture of the controlled drugs presumed to be present in fake “captagon” tablets.

202. Operation Missing Links resulted in first-time seizures and evidence of the use of designer precursors in illicit “captagon” manufacture in the Middle East. Specifically, forensic profiling analysis confirmed the use of APAAN as the starting material in the illicit manufacture of the amphetamine in fake “captagon” tablets. In addition, a total of more than three tons of alternative designer precursors, namely, P-2-P methyl glycidic acid sodium salt and methyl ester,³⁹ were seized at Beirut airport in 2016 and communicated through PICS. In 2021, forensic profiling

analysis of “captagon” tablets seized in Lebanon confirmed the use of P-2-P methyl glycidate in the illicit manufacture of the amphetamine found in those tablets. Operation EPIG revealed unsystematic use of the international pre-export notification system in relation to countries in the two target regions, which made it difficult to ensure an unbroken chain of monitoring of international trade in precursors, especially in ephedrine and pseudoephedrine and pharmaceutical preparations containing them.

203. INCB has noted discrepancies between the supply (availability) of drug end products and seizures of the precursors of those drugs in a number of its reports on precursors in the past. Those discrepancies related to almost all drugs and precursors, in different regions, and included the lack of information about the nature and sources of chemicals feeding the illicit manufacture of methamphetamine in Afghanistan and Myanmar, and the illicit manufacture of amphetamine for fake “captagon” production in West Asia. Long-standing conflicts and political instability in these countries and regions complicate implementation of the necessary action.

204. In **Afghanistan**, there has been some evidence in the past of the use of pharmaceutical preparations containing ephedrine or pseudoephedrine in the illicit manufacture of methamphetamine. In 2015, when such evidence started to surface, the Government took measures to identify the extent of domestic diversions and identify sources and modi operandi. With the first reports of seizures of the *Ephedra* plant, which grows wild in the mountains of Afghanistan and can be used as a methamphetamine precursor, having emerged in 2018, a layer of complexity was added to efforts to address illicit methamphetamine

³⁹The substances have been recommended for scheduling under the 1988 Convention (see para. 7).

manufacture in the country. However, while Afghanistan acted in compliance with reporting obligations under the 1988 Convention and was an active user of the PEN Online system in the past, the information gap regarding the precursor situation in the country has grown since the seizure of power by the Taliban in August 2021.

205. The special regions⁴⁰ in **Myanmar** are autonomous territories that are reportedly virtually inaccessible to the competent authorities in the country and are alleged to enable a range of illicit activity, most notably illicit drug manufacture. There are only a limited number of proposed shipments to Myanmar of internationally controlled precursors that, if diverted, may be used for illicit methamphetamine manufacture. Seizures reported by Myanmar concern mostly common, non-scheduled chemicals and rarely include any key precursors, or pre-precursors, of methamphetamine. The majority of chemicals, whether they are internationally controlled or not, appear to be smuggled into the country or diverted in the special regions. With regard to chemicals not under international control, since November 2022, China and Thailand have pre-notified a total of 69 shipments through the Board's new PEN Online Light system,⁴¹ of which 45 were objected to by the authorities of Myanmar. The objections mostly concerned shipments of common acids, such as glacial acetic acid, and bases, such as caustic soda and sodium carbonate and bicarbonate. **INCB commends all Governments that use the PEN Online Light system and encourages them to consider pre-notifying not only shipments of chemicals controlled in the exporting country but also those known to be diverted in importing countries.**

206. Illicit drug manufacture may also be fed by the diversion of precursors from domestic distribution channels and their subsequent use within the country in which they were diverted, thus, through the funds generated, perpetuating conflicts there. INCB has noted this situation in South America in relation to potassium permanganate, and has encouraged Governments to review their domestic control mechanisms and devise strategies to address the situation.⁴²

A call for action

207. The Board continues to be concerned about flows of precursors in countries affected by conflict, unresolved territorial disputes or other circumstances that hinder the

exercise of effective control. INCB also recognizes that trade in precursors destined for countries of conflict presents a number of challenges for exporting countries, leaving them in a difficult position when deciding whether or not a proposed export can proceed. As a general rule, the authorities of Governments wishing to export to conflict areas should be guided by health and humanitarian considerations, as well as by the international recognition of such territories, as expressed in the resolutions and pronouncements of the General Assembly and the Security Council, as applicable. While INCB may be able to facilitate communication regarding the authorization of imports and exports of precursor chemicals, the final decision on whether to authorize an export rests with the authorities of the exporting country.

208. **Conflicts and unresolved territorial disputes increase the risk of diversion of chemicals and provide a conducive environment for illicit drug manufacture and smuggling of precursor chemicals, thus contributing to the perpetuation of conflict by fuelling an illicit economy. To address this, all Governments of the countries concerned and their international trading partners need to scrutinize the potential *modi operandi* of criminal networks more carefully to determine how traffickers are obtaining chemicals and moving them to sites of illicit manufacture.** This includes increased efforts to share actionable information related to suspicious transit shipments and seizures of precursors en route to countries of conflict, whether they involve chemicals under international control or those not controlled internationally. Actionable information includes relevant shipping papers, customs documents and invoices, which should be shared in a more systematic and timely manner, preferably through PICS, to support backtracking investigations. In addition, concerted international efforts are required to generate scientific evidence of the actual precursors used in illicit drug manufacture, for example, from forensic profiling analyses of the drug end products seized elsewhere but linked to conflict areas as the origin.

209. **INCB commends all efforts that contribute to ensuring the availability of controlled precursors for legitimate purposes in all regions of the world, irrespective of a country's situation or a territory's status, while managing the risk of diversion. INCB further invites all Governments to work with the Board to devise appropriate ways and means of monitoring trade pursuant to article 12 of the 1988 Convention and handling pre-export notifications with a view to enabling the trade in chemicals to and from high-risk areas in a regulated manner.**

⁴⁰ Formerly known as self-administered divisions.

⁴¹ The PEN Online Light system is a platform for the exchange of information about planned international shipments involving drug precursor chemicals that are not under international control. Use of the system is voluntary.

⁴² INCB report on precursors for 2020 (E/INCB/2020/4), para. 136.