

# PUBLIC-PRIVATE PARTNERSHIPS: AN INTERNATIONAL PERSPECTIVE

CHEMICAL INDUSTRY CONFERENCE  
MESA, ARIZONA, 4-5 MAY 2016

Precursors Control Section, SINCB

INCB Precursors Control



## *Presentation outline*

- **The International Narcotics Control Board**
  - Role & functions
  - Supporting Governments' efforts in chemical diversion prevention and investigation
- **Progress & achievements**
- **Trends and challenges**
  - Global/ Regional
  - Non-scheduled chemicals
- **Existing tools**
- **Synopsis**

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## What is the International Narcotics Control Board (INCB)?



- Independent, quasi-judicial expert body to:
  - ➔ Promote & monitor Governments' compliance with the international drug control conventions
- Established by the 1961 Single Convention on Narcotic Drugs
- 13 members, elected by Economic and Social Council (ECOSOC)
  - 3 nominated by WHO
  - 10 nominated by Governments
- Term of office: 5 years, may be re-elected
- Serve impartially in their personal capacity, independently of Governments
- Secretariat in Vienna, Austria



## International precursor control

### Basis

### *UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, Article 12*

Table 1 (1988 Convention)

- Acetic anhydride
- *N*-Acetylanthranilic acid\*
- Ephedrine\*
- Ergometrine\*
- Ergotamine\*
- Isosafrole\*
- **Lysergic acid\*\***
- 3,4-Methylenedioxyphenyl-2-propanone\*
- Norephedrine\*
- **1-Phenyl-2-propanone\*\***
- Phenylacetic acid\*
- *alpha*-Phenylacetoacetonitrile (APAAN)
- Piperidine\*
- Piperonal\*
- Potassium permanganate
- Pseudoephedrine\*
- Safrole\*

24

Table 2 (1988 Convention)

- Acetone
- Anthranilic acid\*
- Ethyl ether
- Hydrochloric acid
- Methyl ethyl ketone
- Sulphuric acid
- Toluene

**Art.12, para.9(a):**  
Industry cooperation, incl. reporting of suspicion

**Art.13:** Equipment

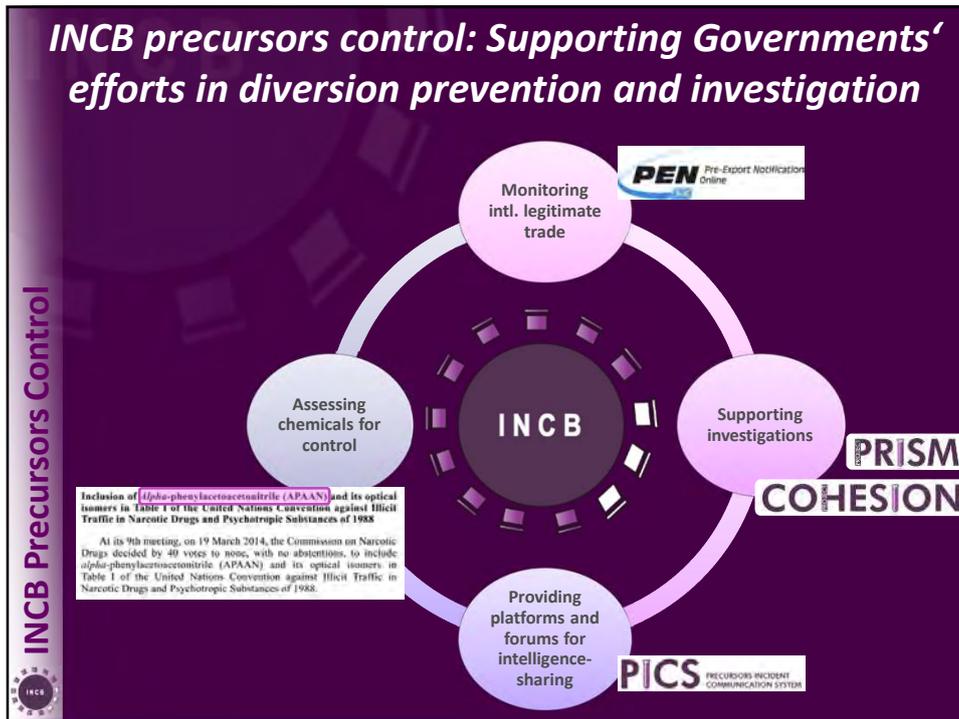
AND: The salts of the listed substances whenever possible (salts of HCl and H2SO4 are specifically excluded)

\* List 1 chemical

\*\* Controlled in CSA Sch II as "immediate precursor"



## INCB precursors control: Supporting Governments' efforts in diversion prevention and investigation



## INCB precursors control: Supporting Governments' efforts in diversion prevention and investigation

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**INTERNATIONAL NARCOTICS CONTROL BOARD**

**Precursors**  
and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances  
2015

**UNITED NATIONS**

**EMBARGO**  
Observation date:  
Not to be published or translated before  
Wednesday, 3 March 2016, at 12:00 hours (ET)  
**CAUTION**

**Providing a comprehensive overview and analysis of the precursor control situation worldwide:**

- Extent of licit trade
- Latest trends in precursor trafficking
- Actions and achievements by Governments and INCB
  - Legislation and control measures
  - Extent of utilization of PEN Online, PICS; participation in Project Prism and Project Cohesion
- Observations and recommendations

[https://www.incb.org/incb/en/precursors/technical\\_reports/precursors\\_technical\\_reports.html](https://www.incb.org/incb/en/precursors/technical_reports/precursors_technical_reports.html)

## INCB: Supporting Governments efforts in diversion prevention and investigation

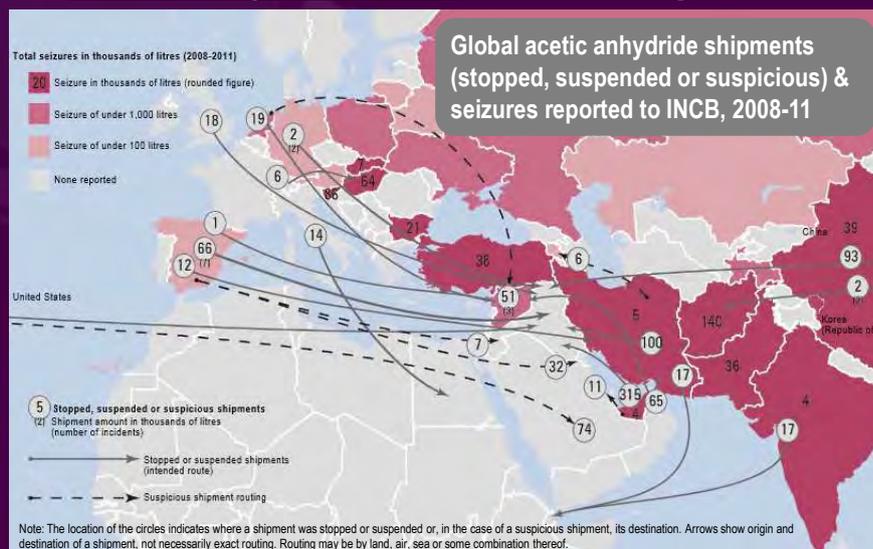


- Monitoring international legitimate trade on real-time basis
- Identifying unusual patterns
- Verifying the legitimacy of importers and end-users
- Supporting investigations into suspicious/stopped shipments

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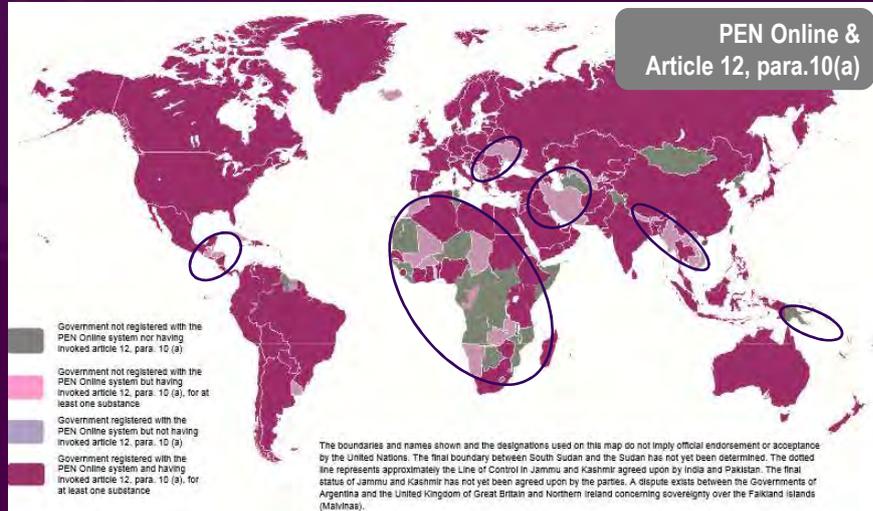
## INCB: Supporting Governments efforts in diversion prevention and investigation



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## Legitimate trade monitoring: PEN Online



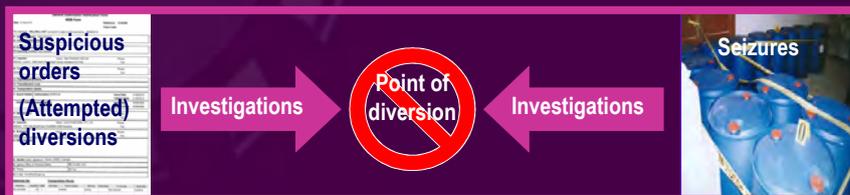
Source: INCB report on precursors, 2015

While more governments require pre-export notification and use PEN Online, there continue to be major regional gaps

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## INCB: Supporting Governments' efforts in diversion prevention and investigation

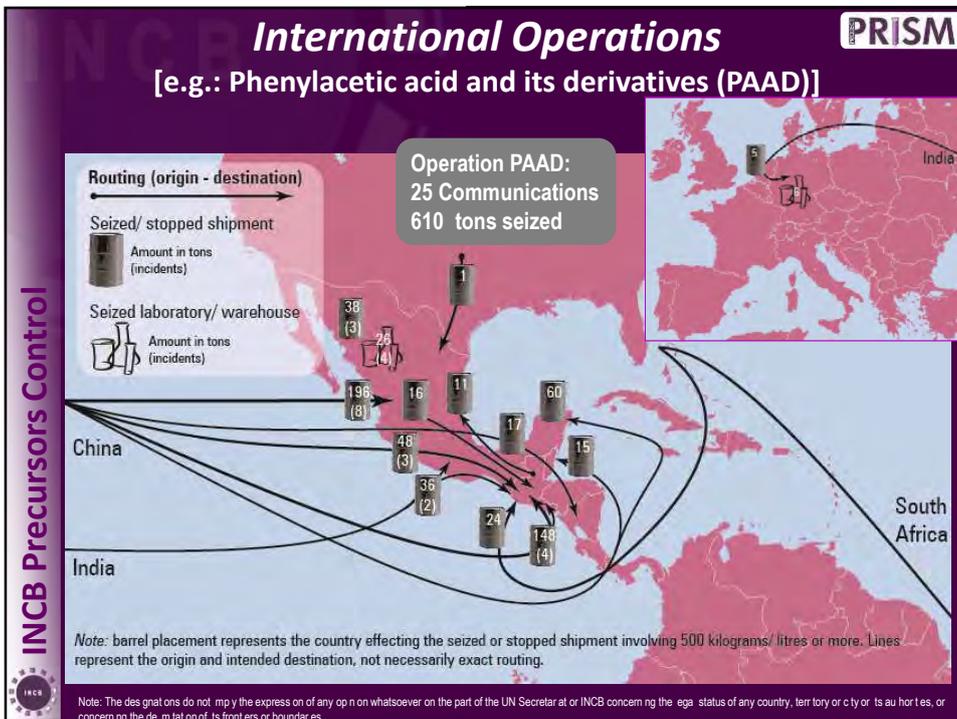
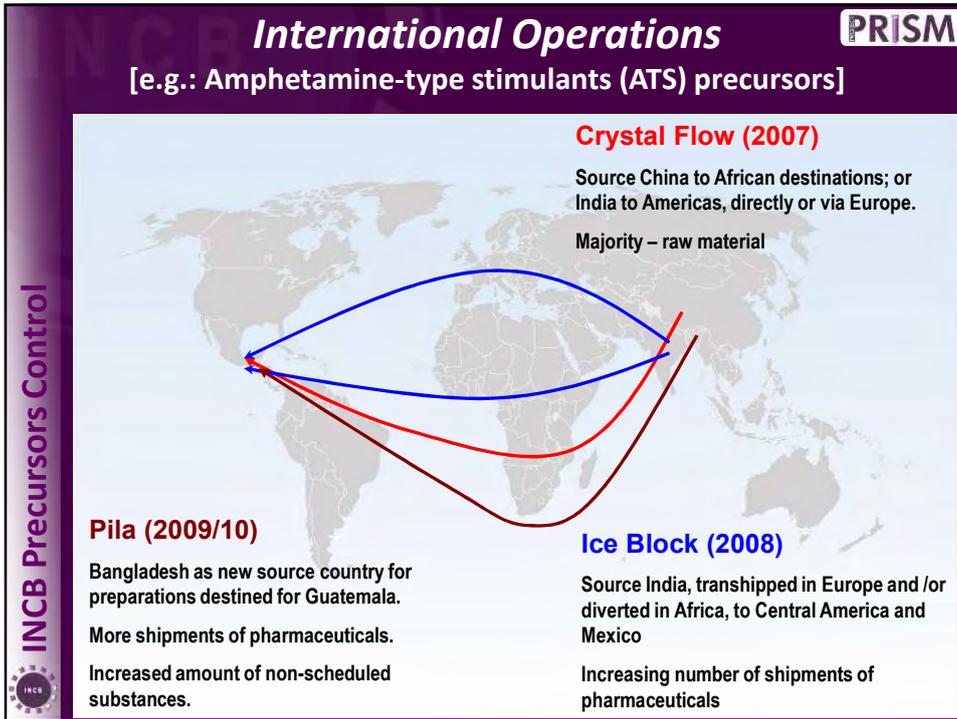


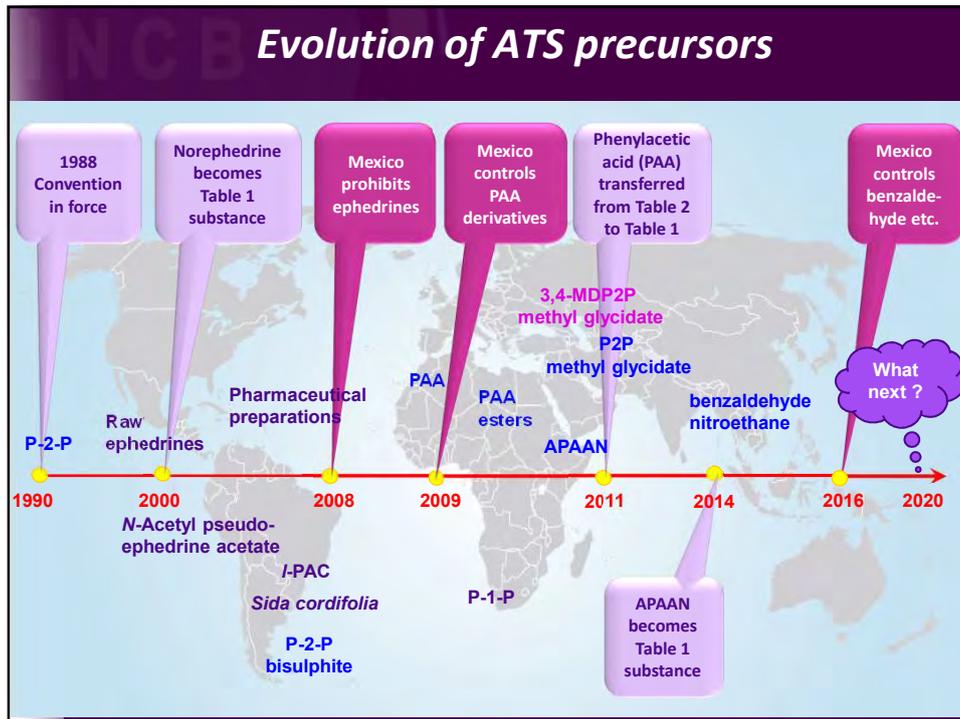
- Monitor legitimate trade on real-time basis
- Identify unusual trade patterns
- Support investigations into suspicious shipments

- Share intelligence on stopped or seized shipments on real-time basis
- Conduct controlled (monitored) deliveries
- Launch backtracking investigations

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## Progress & achievements

- 189 countries acceded to 1988 Convention; national control systems / legislation enacted
- Pre-export notification online (PEN Online) system used by 152 countries
- Diversion from international trade substantially reduced
- Legitimate trade unimpeded while suspicious trade scrutinized
- Importance of public-private partnerships widely recognized
- Investigations more intelligence-driven, less opportunistic
- Preferred chemicals harder to obtain

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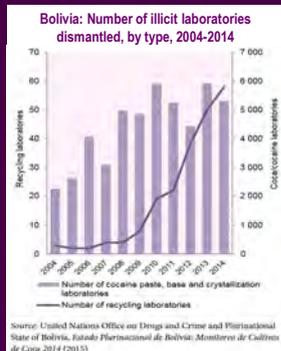
## Trends & challenges



## Trends & challenges

### Heroin precursors

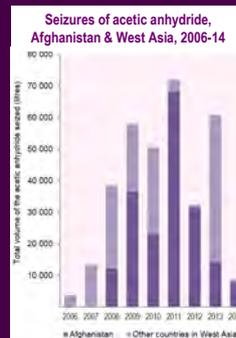
- Discrepancy between level of heroin supply and acetic anhydride (AA) seizures
- Mexico seized more AA in 2014 than Afghanistan; low levels in West Asia
- Domestic diversions; threshold issues



Source: INCB report on precursors, 2015

### Cocaine precursors

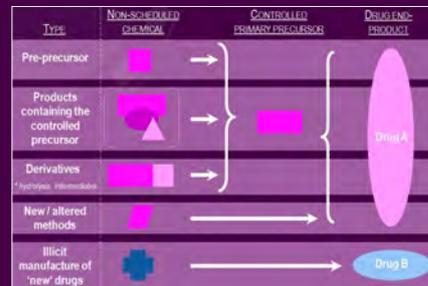
- Diversion from domestic distribution channels or illicit manufacture from pre-precursors
- Table II acids and solvents increasingly being recycled and reused several times
- Non-scheduled chemicals to increase efficiency of illicit processing: standardizing oxidation level of cocaine base; drying of solvents; solvent recycling



## Trends & challenges

### Synthetic drug precursors

- Different trends in different regions
- Incidents involving amphetamine-type stimulant precursors still the most frequent and widespread
- Illicit ATS manufacture spreading (Africa, West Asia)
- Major increases in scale, sophistication and diversification
- Continued high amphetamine (“*Captagon*”) seizures in the Middle East; sources of precursors unknown
- Illicit ketamine manufacture in China
- LSD precursor diversions and attempts reported for the first time in several years
- New Psychoactive Substances (NPS) add new dimension



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## Non-scheduled chemicals: cocaine



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Red chemicals are scheduled under the 1988 Convention  
Green chemicals are included in the international surveillance list (ISSL)

[http://www.incb.org/pdf/annual\\_report/2010/en/AR\\_2010\\_Chapter\\_II.pdf](http://www.incb.org/pdf/annual_report/2010/en/AR_2010_Chapter_II.pdf)

## Non-scheduled chemicals: heroin

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Ammonium chloride

Sodium bi/carbonate

Ammonia

Acetyl chloride

Glacial acetic acid

- ✓ Chemicals that are employed, in addition to acetic anhydride, in various steps of the traditional manufacturing process.
- ✓ Acetyl chloride and glacial acetic acid:
  - Illicit manufacture of acetic anhydride (AA), or
  - Direct use of substitute acetylating agents, or
  - Cover load for AA smuggling (or misdeclaration)

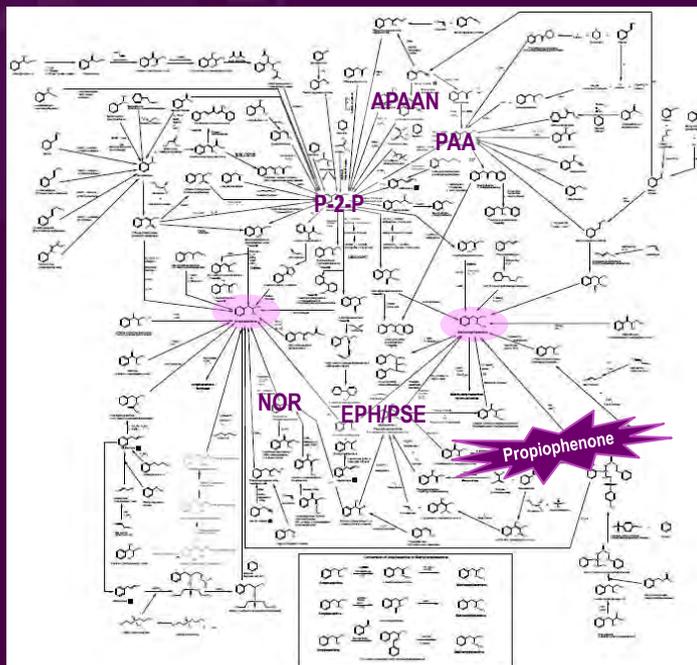


All chemicals are included in the international surveillance list (ISSL)

[http://www.incb.org/pdf/annual\\_report/2010/en/AR\\_2010\\_Chapter\\_II.pdf](http://www.incb.org/pdf/annual_report/2010/en/AR_2010_Chapter_II.pdf)

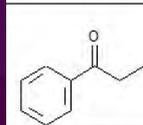
## Non scheduled chemicals: ATS

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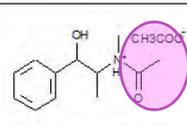


## Non-scheduled chemicals: derivatives, masked & "designer" precursors

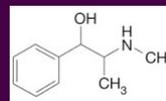
### Precursors for ephedrine and pseudoephedrine



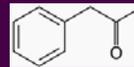
P-1-P  
(syn.: propiophenone)  
CAS# [93-55-0]



N-Acetylpseudoephedrine  
acetate  
CAS#

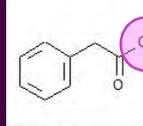


Pseudo/  
ephedrine

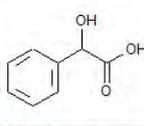


P-2-P

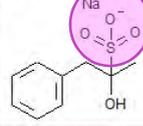
### Precursors for phenylacetic acid and P-2-P (BMK)



Esters of  
phenylacetic acid  
CAS# (various)

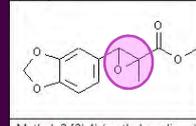


Mandelic acid  
CAS# [90-64-2]



P-2-P bisulphite  
CAS#

### Precursor for 3,4-MDP-2-P (PMK)



Methyl 3,4-(methylenedioxy)-  
phenyl-2-methyl glycidate  
[3,4-MDP-2-P-methyl glycidate]  
CAS# [13605-46-6]

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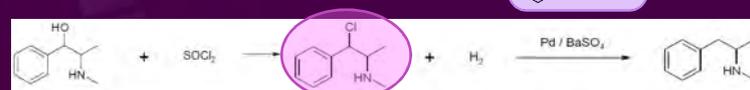
## Non-scheduled chemicals: chemical intermediaries



Benzyl cyanide

APAAN

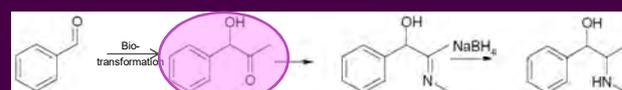
P-2-P (BMK)



Pseudo/ephedrine

Chloro-  
(pseudo)ephedrine

methamphetamine



I-PAC

pseudo/ephedrine

- Sourced by illicit operators in large scale
- Made-to-order, on request (contract synthesis)

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## Scale & sophistication



Photo: Narcotics Control Bureau, India, 2009

Photos: Procuraduría General de la República de México, 2011

- Technical know-how and equipment previously considered too complex / sophisticated and costly to employ in illicit settings (e.g. enantiomeric enrichment) now commonly seen



## Public-private partnerships: Tools

## Special Global Alerts

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- 1) Raise awareness and foster cooperation among all concerned national authorities (**and industries**): about attempts that are being, or may be, made to obtain XXX for illicit purposes.
- 2) Provide background and analytical data, where available; companies involved; MO
- 3) Request authorities to review data for past period (seizures, licit trade)
  - Request to provide INCB with relevant information for global dissemination

## Precursor estimates & annual reporting

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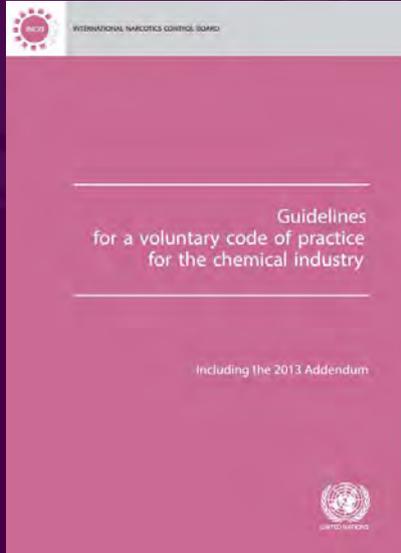
- **Precursor estimates** – a yardstick for exporting countries on the annual legitimate requirements (ALR) for imports of ATS precursors
  - ➔ *Industry input*: estimated annual legitimate requirements
- **Annual reporting of seizures and licit trade** in substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances (“Form D”)
  - ➔ *Industry input*: information on imports, exports, licit uses, suspicious transactions and orders, thefts, methods of diversion

<https://www.incb.org/incb/en/precursors/alrs.html>

[https://www.incb.org/documents/PRECURSORS/RED\\_LIST/RedList2015\\_E\\_14hEd.pdf](https://www.incb.org/documents/PRECURSORS/RED_LIST/RedList2015_E_14hEd.pdf)  
[https://www.incb.org/documents/PRECURSORS/FORM\\_D/PDF/Form\\_D\\_Jan2016\\_E.pdf](https://www.incb.org/documents/PRECURSORS/FORM_D/PDF/Form_D_Jan2016_E.pdf)

## Public-private partnerships

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## Synopsis

## Synopsis: challenges

- Some chemicals are controlled, **but potentially unlimited number**: pre-precursors, chemical intermediaries, derivatives, products
- **Changes in the sourcing of chemicals**: off-the-shelf vs. made-to-order “designer precursors” (contract syntheses)
- **Diversification possible at all stages and levels** of the distribution chain; domestic diversion & smuggling
- **Major increases in sophistication**, diversification and scale of illicit manufacture (“no limitations”)
- **Internationalized sourcing of chemicals, illicit manufacture and distribution**
- **Sophistication in disguising illicit intent**: quality of falsified documents, front companies

Same considerations  
for NPS & their  
precursors

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## Synopsis: role & inputs of industry

- Act on scheduled and *non-scheduled* chemicals
- Report suspicion, even when the order was denied/ no contract was concluded
- Share details of modus operandi, chemical diversion practices, trends
- Share relevant market insights: legitimate uses of chemicals, pre-precursors, common methods of synthesis
- Help to establish the concept of public-private partnerships worldwide (corporate responsibility: subsidiaries, branch offices)
- **Be vigilant, act proactively & cooperate** – strong public-private partnerships as *flexible preventive* measure



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## UN Special Session on the World Drug Problem, 19-21 April 2016



We, heads of State and Government, ministers and representatives of Member States ... recommend the following measures:

- (c) **Establish and strengthen partnerships and information exchange with industries**, in particular with chemical and pharmaceutical industries **and other relevant private sector entities**, and encourage the use of the Guidelines for a Voluntary Code of Practice for the Chemical Industry, issued by the INCB, and the Board's model memorandum of understanding between governments and private sector partners, as and where appropriate, **bearing in mind the important role these industries can play in addressing and countering the world drug problem;**

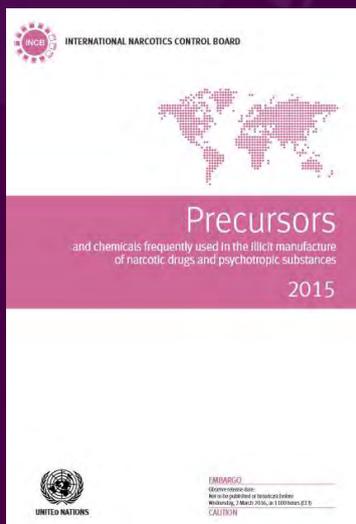
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<https://documents-dds-ny.un.org/doc/UNDOC/GEN/N16/105/72/pdf/N1610572.pdf?OpenElement>



## International Narcotics Control Board



Thank you  
for your attention

Questions?

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[precursors@incb.org](mailto:precursors@incb.org)

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[https://www.inc.org/documents/PRECURSORS/TECHNICAL\\_REPORTS/2015/2015\\_PreAR\\_E.pdf](https://www.inc.org/documents/PRECURSORS/TECHNICAL_REPORTS/2015/2015_PreAR_E.pdf)

## *Starter questions*

- Are there any sectors of industry outside regulatory controls? Outside regular industry associations?
  - Contract manufacturers, Research chemical companies?
  - Tank farms?
  - Companies in free trade zones?
- Emerging, non-traditional precursors: what is the preferred industry response?
- Which regulatory requirements present the greatest challenges to industry?
- What the key areas, from the industry point of view, that regulatory authorities (nationally) and INCB (internationally) should address?
- What are the chances of precursor control / diversion prevention being incorporated as an element of “responsible care” initiatives?  
(given that the typical elements at present are more in the direction of sustainability, safety, environment, consumer health, etc.)
- Share your challenges, at various levels

