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European Conference on the diversion
of Chemical Precursors of Drugs

EUROPEAN CONFERENCE ON THE DIVERSION OF CHEMICAL PRECURSORS OF DRUGS
Valencia, Spain, 6-9 October 2003

DOCUMENTO FINAL PROVISIONAL

The city of Valencia in Spain hosted the **European Conference on the Diversion of Chemical Precursors of Drugs**, which took place on October 6-9, 2003 and was organized by the **Governmental Delegation for the National Plan on Drugs** of the Home Office of the Kingdom of Spain, and financed by the **European Commission** under the chapter <<programme to fight drug trafficking>>, budget line B5-831.

At this forum dedicated to the transfer of know-how, as well as to the exchange of good practices, 70 delegates were present from all the member countries of the European Union, from four countries that have already signed their Treaty of Adhesion to the European Union (the Slovak Republic, Hungary and Poland), from two Candidate Countries (Romania and Turkey), from the institutions competent in chemical precursors within the European Commission (DG JAI, DG TAXUD and OLAF), from Europol, from INTERPOL and from the Secretariat of the International Narcotics Control Board (INCB). Some representatives of the Spanish chemical sector were also present.

The programme had a multidisciplinary perspective, fed with the contributions made by administrative institutions as well as by police and customs forces devoted both to prevention and law enforcement investigation on chemical precursors diversion, and to the monitoring of those substances listed under the UN Conventions, or substances which are subject to special or voluntary surveillance due to their potential for illegal uses. Completing the multidisciplinary approach enjoyed at the Conference, the sector of operators in the chemical industry acknowledged that their role in precursor control schemes is essential for the prevention and detection of potential diversion of chemical substances towards the illicit making of drugs; following that, the importance of voluntary cooperation agreements between companies and control authorities was underlined.

This conference, specifically devoted to the analysis from the European perspective of the problem of precursor diversion towards the illicit production of drugs, understood as a type of international organized crime, touched upon a wide spectrum of aspects and dimensions related to the various preventive and control features of drug precursors. Special attention was paid to regulatory and institutional responses making up the different national schemes for prevention and control; to the situation of the international system of surveillance of chemical precursors under the umbrella of the INCB; to the assimilation of EU regulatory corpus by the countries which have already signed their respective treaties of adhesion; to the nature of criminal organizations dedicated to chemicals diversion towards illicit markets; to the most recent trends in diversion and to the instruments used by the different countries to fight it; to the coordination and information exchange mechanisms; to setting up cooperation systems between the authorities in charge of prevention, surveillance and investigation and the chemical and pharmaceutical sectors; to the features proper to regional multilateral operations for the control of chemical agents under surveillance as an essential factor for international collaboration; and to investigation and control methodologies.

From the knowledge used and the information provided by the delegates, several standing points and approaches were outlined during the various working sessions, and may be used as conclusions. As a point common to the whole of the international system of prevention and control of the diversion of precursors, there was general agreement on the fact that the **diversion of surveyed chemical substances for the illegal production of drugs** is a **transnational phenomenon**, as well as a **global menace** developed by organized criminal groups which have specialised their criminal

structures for this activity. This phenomenon is a criminal practice which not only undermines public safety and health due to its close relationship with the traffic of narcotic drugs, but it also negatively affects the principles and dynamics of international trade on chemicals. On this respect, the adequate fighting of this menace from organized crime demands from the **democratic powers**—them being the institutions guaranteeing the confidence of civil society, and on the search for **cooperation and commitment of commercial and industrial actors**— a **complete, pluri-dimensional and multidisciplinary answer**; all that within response schemes that would take into account within their strategic action lines a genuine **multilateral cooperation** and **adequate balance in order to produce the slightest impact on the legal trade of chemicals**.

From the European perspective of the problem, the need was identified to improve the prevention and control mechanisms through the development of five main aspects: 1) a concentration of efforts on the **effective control of the external borders** of the enlarged European Union; 2) the **rationalisation of those controls** through extensive use of intelligence means and risk analysis; 3) the **standardization of processes and prevention and control systems** among the member States; 4) the promotion of **horizontal cooperation** among the various institutions: between national authorities in prevention and control and between these and the representatives of the chemical and pharmaceutical sectors; and 5) the promotion of **stronger flows of administrative, customs and police real-time information** with regards to the movements of controlled substances through external borders and goods transit points, so as to make possible a faster decision-making on the basis of the best information possible in terms of surveillance.

The Member Countries welcomed law enforcement related initiatives such as the **European Joint Unit on Precursors**, as it gathers the commitment of several countries of the Union with the use of specialised European resources such as Europol and OLAF, thus following the spirit behind the Treaties and the words of the future European Convention.

Following the adaptation of the European schemes for prevention and control with the international system, and under the umbrella of the United Nations, it was received with satisfaction the active involvement and commitment of the European partners with regards to the international operations and projects for the control of sensitive chemicals (Purple, Topaz and Prism); these operations, besides the constant interdiction actions promoted in order to stop diversion attempts, have served for extracting significant experiences for the improvement of prevention and control initiatives. Apart from the emphasis in the exchange of useful, real-time information, it was underlined the value of having Client Declarations regarding the specific use or uses of substances under category 1 or 2 (single or multiple transactions), as well as estimates on legal use of precursors; all this, together with export prenotifications allow a more efficient matching of data for a better assessment of risks.

Diversion attempts are more and more sophisticated, and organized crime networks use indirect routes and focus their activities on States and territories which count on weaker prevention and control mechanisms, or towards those which do not participate in multilateral cooperation schemes. A constant issue to think regarding prevention and control agents was the need to insist on the reinforcing and consolidation of law enforcement **back-tracking investigations** centred not only on the seizure of the diverted substance, but on the discovery and dismantling of diversion channels and organized crime groups involved. This approach has proven to be fruitful in the research of drug traffic and money laundering.

The second half of the **European Conference included a Specialized Meeting on the Diversion of Chemical Precursors of Drugs between the European Union and the Member States of the Organization of American States**, under the stern belief of the essential role that both regions play in the prevention, control and investigation of the diversion of the classified substances. At this Specialized meeting, the participants from the European Union and from the international organisations there represented, were joined by representatives of the Inter-American Drug Abuse Control Commission (CICAD) and from 10 of its member states (Argentina, Brazil, Canada, Costa Rica, Ecuador, United States of America, Mexico, Panama, Peru and Venezuela), all of them staff of national commissions on drugs and of official institutions for diversion prevention and control.

Framed in the context of the current situation of actions against precursor diversion and the relationships between Europe, Latin America and the Caribbean, the main focus of the specialized meeting was the analysis of export pre-notifications (PEN) as a tool. The PEN are considered to be a low cost instrument, mainly based on information exchange and enjoying a very high potential for the prevention of illicit diversion operations with catalogued substances, but one which is being confronted with a series of practical problems.

Despite the improvements made by the members of the Organization of American States (OEA) during the last few years with regards to chemicals susceptible of diversion, the results of the Second Round of the Multilateral Evaluation Mechanism (MEM) 2001-2002, and of the Expert Group on Chemicals (which met in Brasilia the 25-27 August 2003), reveal that there are still severe problems in the prevention of diversion. Though most countries in the Americas reported having some system for the control of chemical substances, it was also most of them which told they face several implementation problems, including the application of the export prenotification process, which stands out as a simple and effective manner of controlling movements of chemicals.

Within the Specialized Meeting, the discussions on the PEN's underlined that export prenotifications are an effective instrument for minimizing chemical precursor diversion. Nevertheless, under some circumstances, the exporting countries never send the prenotification form. At other times, they send the form but to the wrong agency, and not to the competent authority. Finally, some countries send prenotifications but without enough time for the forms to be reviewed or for any efficient investigation to be launched before the products are exported. And taking into consideration existing resolutions of the United Nations General Assembly, the Economic and Social Council, as well as the Commission on Narcotic Drugs, the delegations present at the meeting considered that the following was key to success:

- 1) to keep updated the directory of national authorities competent in the surveillance of chemical precursors. To that respect, States are encouraged to communicate updated data to the INCB in adequate form and timing, so the directory is as useful a tool as possible. It would also be advisable —and the attention of the INCB has been called upon that fact—, that the relevant sections of this directory of competent authorities be available through the website of the International Narcotics Control Board.
- 2) to recommend that discussions are held at the adequate forums of the CICAD and of the European Union on the issue of introducing an acknowledge receipt process for export notification requests, independently of the procedures and results that might follow, and considering the time thresholds put forward by each national State with regards to the right moment to issue answers on the results obtained.
- 3) that countries consider where that could be adequate and possible, to include in export prenotifications the reference numbers of the import permits or licenses for trade operations.

- 4) to remind the States the option they have to promote additional requests through the adequate channels of the Secretary-General of the United Nations (art. 24) on those pre-export notifications which include substances (specially those under Appendix II of the 1988 Vienna Convention), regarding which the control or surveillance levels might differ between the exporting and importing countries.
- 5) to promote the use of the MCRI form for the transmission of information between the States with regards to the surveillance of chemicals susceptible of diversion, as well as the use of new technologies for channelling these pieces of information.
- 6) to recommend the States to pay attention to the need of establishing internal coordination and communication structures among the official institutions involved in the control of substances, thus promoting a better, more efficient treatment of the information and the procedures regarding surveyed substances.
- 7) to promote before the Commission on Narcotic Drugs of the United Nations the study of a resolution which takes into account the possible development of a global and interactive system for updating the directory of competent authorities compiled by the INCB, which makes an intensive use of the new information technologies, for use by, and for the benefit of, the international community as a whole.
- 8) To foster the use of the resources of the Interpol in terms of databases and communication systems for supporting the investigations in organized crime activities in the field of the control of drug chemical precursors.

The above has to be seen as a starting point for further discussion within the relevant and competent bodies (such as the Art. 10 Committee for the EU Member States or on a global level the Commission on Narcotic Drugs) as it has direct impact to the world wide precursor control regimes and does not only affect Europe and the CICAD Member States.