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**Open-ended intergovernmental expert  
working group on supply reduction**

Vienna, 23-25 June 2008

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supply reduction**

**Discussion note by the International Narcotics Control  
Board**

*Summary*

Pursuant to Commission on Narcotic Drugs resolution 51/4, the International Narcotics Control Board (INCB) decided, at its last session in May 2008, to provide to the five open-ended intergovernmental expert working groups the Board's views on the five topics for discussion, namely (a) drug demand reduction, (b) supply reduction (manufacture and trafficking), (c) countering money laundering and promoting judicial cooperation, (d) international cooperation on the eradication of illicit drug crops and on alternative development, and (e) control of precursors and of amphetamine type stimulants.

This paper reflects the views of the Board on the topic of supply reduction. The Board expects that the views of the Board will be reflected appropriately in the deliberations of the working groups, and in the final outcome of the process of the UNGASS review.



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## I. Introduction

1. States are obliged to address the illicit supply of drugs under the international drug control conventions. Article 35 of the Single Convention on Narcotic Drugs, 1961, and Article 21 of the Convention on Psychotropic Substances, 1971, stipulate that Parties shall, *inter alia*: “Make arrangements at the national level for coordination of preventive and repressive action against the illicit traffic; to this end they may usefully designate an appropriate agency responsible for such coordination.”

2. The United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, targets the illicit supply of controlled substances in a comprehensive manner, providing the international community with tools to combat drug trafficking, including the control of precursor chemicals, mutual legal assistance in investigation and prosecution of drug-related crime, as well as action against the laundering of money derived from illicit drug trafficking.

## II. Achievements

3. Most States consider supply reduction a high priority, and it is a component of drug control policy in most countries. In response to the Board’s survey on the implementation of the international drug control conventions, 75 per cent of the responding Governments indicated having developed and implemented a national supply reduction policy. A further 12 countries indicated that supply reduction was addressed through other policies, and 13 countries and territories were in the process of establishing a supply reduction policy.

4. There is increased awareness among Governments regarding the interdependence of supply and demand reduction and some States moved to coordinating supply and demand reduction strategies. Successful examples have shown that reducing the availability of illicit drugs combined with treatment for drug abusers has led to a sustained reduction of overall drug abuse.

5. Governments have become increasingly aware of the importance to address cyber-crime in their efforts to reduce the supply of illicit drugs. Initiatives have been taken at the national and international levels, for example, national police forces of several countries have established dedicated cyber-crime units. Furthermore, the Interpol Drugs Sub-Directorate operates a secure website that brings seizures of new drugs and drug trafficking alerts to the attention of police forces. The Council of Europe’s Convention on Cybercrime represents an advanced international collaboration in the area of high-tech crime.

6. The implementation of the international drug control system has continued to prevent effectively diversion of narcotic drugs and psychotropic substances from international trade to illicit channels contributing successfully to drug supply reduction. In recent years, no cases of diversion of narcotic drugs from licit international trade into the illicit traffic have been reported and almost all attempts at diverting psychotropic substances from international trade have been successfully identified; the very rare diversions involve only small quantities.

7. Control of precursor chemicals has also contributed to reducing the supply of drugs on the illicit market. For example, international initiatives such as Project Cohesion and Project Prism contributed to preventing diversion of large amounts of acetic anhydride and potassium permanganate, as well as ATS precursors such as ephedrine and pseudoephedrine respectively.

### III. Challenges

8. In response to the Board's survey, a considerable number of countries indicated that continued lack of resources and inadequate training are the main challenges for implementing supply reduction strategies. Cooperation at the regional and international levels also needs improvement in order to strengthen supply reduction programmes.

9. Disparities between country's laws in pursuing an offence, how court decisions can be enforced if defendants reside abroad and which protocols govern cross-border investigations can all severely limit supply reduction efforts. The admissibility in court of evidence of crime perpetrated electronically is particularly difficult, since electronic data can be modified without leaving a trace. Many authorities lack the capacity to intercept and understand encrypted communications, compromising the prevention, detection and prosecution of drug-related crimes.

10. Many Governments continue to give higher priority and resources to supply reduction than to demand reduction, even though supply reduction activities alone have been shown not to produce sustainable results if they are not coordinated with demand reduction interventions. Consequently, the mutually reinforcing effect of a combined supply and demand reduction strategy is compromised in many countries.

11. Over the last decade, the Internet and other information and communication technologies have posed complex challenges to the supply reduction efforts of Governments. The spiralling growth in the sale of prescription drugs over the Internet represents a serious challenge to drug safety regulators and law enforcement agencies. As this often illicit trade is heavily dependent on postal services to deliver drugs, additional challenges have arisen as how to scan, identify and intercept parcels containing illicit drugs. In this regard, especially the absence of drug-related provisions in existing legislation against cyber crime in many countries is a matter of concern.

12. Although diversion of licitly manufactured controlled substances from international trade is rarely detected, diversion from domestic distribution channels remains a problem, in particular with regard to psychotropic substances. Controlled drugs are often sold by unauthorized individuals or entities, or sold without following the proper procedures. For example, benzodiazepines and amphetamines can be easily obtained without a prescription in some developing countries. Also in developed countries, there are increasing reports of the abuse or misuse of controlled drugs diverted from domestic distribution channels.

13. The increased availability of counterfeit drugs, which may also contain controlled substances, poses an additional challenge to reducing the supply of illicit drugs both in developing and in developed countries. According to estimates of the World Health Organization (WHO), at least 10 per cent of the world's drugs are

counterfeit. In developing countries, an estimated 25-50 per cent of the medicines consumed are believed to be counterfeit.

14. Inadequate control legislation, and weak monitoring and control mechanisms for precursor chemicals in a number of countries hamper supply reduction efforts. In many parts of the world, traffickers are trying to obtain pharmaceutical preparations containing ephedrine and pseudoephedrine from licit national and international trade for the illicit manufacture of methamphetamine.

#### **IV. Recommendations**

15. Governments without a supply reduction policy should adopt one and ensure that an appropriate agency is designated or established to coordinate efforts in this area. Governments should improve cooperation between agencies involved in drug control, both at the national and international levels. States should explore ways of ensuring effective and sustained international and regional cooperation in addressing drug trafficking issues, either through multilateral forums or on a bilateral basis.

16. Governments should ensure that appropriate procedural and substantive laws are introduced at the national level to deal with crimes committed in an electronic environment. The unauthorized offering for sale of narcotic drugs, psychotropic substances should be a prosecutable offence in the jurisdiction of any State that is a party to the international drug control treaties. Governments should require online pharmacies to be licensed wherever they operate or deliver prescription drugs, and should set up a system of oversight for such activities.

17. Governments should develop programmes of action at the national and international levels that will have as its objective the prevention of drug-related high-tech crime. Drug law enforcement agencies should set up operational and functional networks at the global level. Assistance should be provided to developing countries considered at risk from such exploitation.

18. Consideration might be given to the development of a United Nations convention against cyber-crime. Such a convention would provide a global classification and definition for high-tech and computer-related crime and a framework for legislative harmonization and international cooperation in the investigation and prosecution of cross-border crime committed or facilitated by electronic means. It could also include a section on drug-related crime, with a reminder to Governments that any form of advertisement for narcotic drugs or psychotropic substances must be prohibited. The convention would have to balance concerns of security and protection from crime with concerns for civil liberties, dignity and privacy.

19. Governments should coordinate supply reduction with demand reduction strategies. Efforts among government ministries and agencies responsible for law enforcement, health, education, social issues and economic development activities should be integrated into a complementary strategy. A central national authority, with a balanced representation of agencies focused on supply and demand reduction, should coordinate efforts and prioritize the distribution of financial and other resources.

20. Governments should ensure that diversion of controlled substances from domestic distribution channels to illicit markets is prevented. Efforts should be made to enhance legislation on the domestic distribution of controlled substances, which should include provisions targeting drug-related crimes in an electronic environment as well as manufacture of and trafficking in counterfeit drugs.

21. Governments should adequately monitor the licit manufacture and distribution of precursor chemicals used in the illicit manufacture of drugs, in addition to their controls over international trade, in accordance with article 12, paragraph 8, of the 1988 Convention. Where appropriate, States should further aim to control pharmaceutical preparations containing scheduled substances under the 1988 Convention in the same way that they control the scheduled substances contained in those preparations.

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