

INTERNATIONAL NARCOTICS CONTROL BOARD
Vienna

**REPORT OF THE
INTERNATIONAL
NARCOTICS
CONTROL BOARD
FOR 1995**



UNITED NATIONS

REPORTS PUBLISHED BY THE INTERNATIONAL NARCOTICS CONTROL BOARD IN 1995

The *Report of the International Narcotics Control Board for 1995* (E/INCB/1995/1) is supplemented by the following technical reports:

Narcotic Drugs: Estimated World Requirements for 1996; Statistics for 1994 (E/INCB/1995/2)

Psychotropic Substances: Statistics for 1994; Assessments of Medical and Scientific Requirements for Substances in Schedules II, III and IV; Requirement of Import Authorizations for Substances in Schedules III and IV (E/INCB/1995/3)

Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 1995 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (E/INCB/1995/4)

The updated lists of substances under international control, comprising narcotic drugs, psychotropic substances and substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances, are contained in the latest editions of the annexes to the statistical forms ("Yellow List", "Green List" and "Red List"), which are also issued by the Board.

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Foreword

The International Narcotics Control Board is the successor to the drug control bodies, the first of which was established by international treaty over 60 years ago. A series of treaties confer on the Board specific responsibilities. The Board endeavours "to limit the cultivation, production, manufacture and use of drugs to an adequate amount required for medical and scientific purposes", "to ensure their availability for such purposes", and "to prevent illicit cultivation, production and manufacture of, and illicit traffic in and use of, drugs", in accordance with article 9 of the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol.¹ In carrying out its responsibilities, the Board acts in cooperation with Governments and maintains a continuing dialogue with them to further the aims of the treaties. That dialogue is pursued through periodic consultations and through special missions arranged in agreement with the Governments concerned.

The Board consists of 13 members who are elected by the Economic and Social Council and who serve in their personal capacity, not as government representatives (see annex for current membership). Three members with medical, pharmacological or pharmaceutical experience are elected from a list of persons nominated by the World Health Organization (WHO) and 10 members are elected from a list of persons nominated by the Members of the United Nations and by States parties that are not Members of the United Nations, in accordance with article 9 of the 1961 Convention as amended by the 1972 Protocol. Members of the Board are persons who, by their competence, impartiality and disinterestedness, command general confidence. The Council, in consultation with the Board, makes all arrangements necessary to ensure the full technical independence of the Board in carrying out its functions. Revised administrative arrangements prepared on behalf of the Secretary-General by the Executive Director of the United Nations International Drug Control Programme (UNDCP) in agreement with the Board were approved by the Council in its resolution 1991/48.

The Board collaborates with UNDCP, of which its secretariat forms a part, and with other international bodies concerned with drug control, including not only the Council and its Commission on Narcotic Drugs, but also the relevant specialized agencies of the United Nations, particularly WHO. It also cooperates with bodies outside the United Nations system, especially the International Criminal Police Organization and the Customs Co-operation Council (also called the World Customs Organization).

The international drug control treaties require the Board to prepare an annual report on its work. The annual report contains an analysis of the drug control situation worldwide, so that Governments are kept aware of existing and potential situations that may endanger the objectives of the Single Convention on Narcotic Drugs of 1961,² that Convention as amended by the 1972 Protocol, the Convention on Psychotropic Substances of 1971³ and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.⁴ The Board draws the attention of Governments to gaps and weaknesses in national control and in treaty compliance; it also makes suggestions and recommendations for improvements at both the national and international levels. The conventions envisage special measures available to the Board to ensure the execution of their provisions.

The annual report of the Board is supplemented by detailed technical reports. They contain data on the licit movement of narcotic drugs and psychotropic substances required for medical and scientific purposes, together with the Board's analysis of those data. Those data are required for the proper functioning of the system of control over the licit movement of narcotic drugs and psychotropic substances. Moreover, under the provisions of article 12 of the 1988 Convention, the Board reports annually to the Commission on Narcotic Drugs on the implementation of that article. That report is also published as a supplement to the annual report.

The Board assists national administrations in meeting their obligations under the conventions. To that end, it proposes and participates in regional training seminars and programmes for drug control administrators. A regional training seminar for drug control administrators from countries in northern and western Africa was held at Tunis in March 1995. Twenty-one African countries were represented at the seminar, which was hosted by the Government of Tunisia.

The work of the Board is continuously expanding as a result of the implementation by Governments of voluntary measures to tighten the control of psychotropic substances; the growing number of substances placed under international control; the additional responsibilities assigned to the Board under the 1988 Convention; and the imperative need to study on site situations that could endanger the attainment of the aims of the international drug control treaties and to maintain a continuous dialogue with Governments in order to promote measures to prevent illicit drug production, trafficking and abuse.

Notes

¹United Nations, *Treaty Series*, vol. 976, No. 14152.

²*Ibid.*, vol. 520, No. 7515.

³*Ibid.*, vol. 1019, No. 14956.

⁴*Official Records of the United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Vienna, 25 November-20 December 1988*, vol. I (United Nations publication, Sales No. E.94.XI.5).

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EXPLANATORY NOTES

In the table, two dots (..) indicate that data are not available or are not separately reported.

The following abbreviations have been used in this report:

ADD	attention deficit disorder
AIDS	acquired immunodeficiency syndrome
ASEP	South American Agreement on Narcotic Drugs and Psychotropic Substances
CICAD	Inter-American Drug Abuse Control Commission
CIS	Commonwealth of Independent States
HIV	human immunodeficiency virus
ICPO/Interpol	International Criminal Police Organization
LSD	lysergic acid diethylamide
MDMA	methylenedioxymethamphetamine
NAFTA	North American Free Trade Agreement
NDLEA	National Drug Law Enforcement Agency (Nigeria)
PCP	phencyclidine
SAARC	South Asian Association for Regional Co-operation
THC	tetrahydrocannabinol
TIR	<i>transport international routier</i>
UNDCP	United Nations International Drug Control Programme
UNICEF	United Nations Children's Fund
WHO	World Health Organization

Data reported later than 1 November 1995 could not be taken into consideration in preparing this report.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

I. OVERVIEW: GIVING MORE PRIORITY TO COMBATING MONEY-LAUNDERING

A. Fighting money-laundering as an effective way to combat drug trafficking and organized crime

1. International trafficking in narcotic drugs and psychotropic substances has generated huge amounts of capital for its initiators and organizers. These drug cartels and trafficking groups are organized and structured to function efficiently within national economies, as well as at the international level. The profits derived from their illegal activities are either integrated into the legal economy or are used in corrupt and criminal ways to enhance such activities. Governments, therefore, when agreeing upon the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,¹ decided to introduce measures to detect and punish money-laundering activities, thereby hitting drug traffickers where it would hurt them the most. Because of the impact that the effective implementation of such measures can have on curbing drug trafficking and achieving the objectives of the international drug control treaties, the International Narcotics Control Board decided to consider the subject at its fifty-ninth session.

2. No Government and no society should accept, from a moral, ethical or legal point of view, that income could be derived from criminal activities such as drug trafficking and related activities. All States, and not only those with legal obligations under the 1988 Convention, should provide and effectively implement laws that enable them to confiscate all proceeds derived from drug trafficking and to punish not only those involved in trafficking in drugs, but also those involved in facilitating in one way or another the making or handling of profits derived from such activities.

3. The prevention of money-laundering represents a challenge to all countries, developed and developing alike, but particularly to fragile or vulnerable economies, which can easily come under the economic and political pressure, or even the control, of criminal groups if their capital has free access to such economies. Such capital has a strong potential for exacerbating corruption in government and in the private sector.

4. Powerful trafficking groups and their financiers might come to have significant influence on politicians, the judicial system, the media and other sectors of society and might impose on the country their own laws, including the "buying of public opinion". The continuing propagation of the non-medical use of drugs can be seen as being in the interest of such financially powerful trafficking groups. Such groups could expect that, through the increased social acceptability of the non-medical use of drugs, drug abuse would grow and so would their profits.

5. Money-laundering entails surreptitiously introducing money of criminal origin into the legitimate channels of a respectable business in order to make it appear normal and legal. In practice, three steps, which may be simultaneous, can be identified:

(a) "Placement" or physical disposing of cash through financial establishments or the retail economy; conversion of cash on the spot into other currencies; or transfer of currency abroad;

(b) "Layering" or multiplying of financial transactions, often involving several countries, to prevent the tracing of illegal proceeds;

(c) "Integration" of income of criminal origin, which, under the guise of investments in economic activity, gives it the appearance of legality.

6. Money-laundering operations can be extremely complex and combating them requires a multidisciplinary approach that takes fully into account the legal, financial and law enforcement aspects of the problem. Major cases involving money-laundering are mostly international in nature, requiring a worldwide response.

7. Although the exact figures for money of criminal origin are unknown, they apparently have reached very high levels, as they have been compounded by the cumulative impact of concealed or reinvested funds in economic, social and political areas. Estimates are in the order of several hundred billions of dollars a year and exceed the gross national product of most countries. Most of the money stems from illicit drug production, trafficking and abuse throughout the world.

8. Traffickers are motivated essentially by the pursuit of maximum profits. Drug trafficking results in profits, which in turn are used to increase trafficking, thereby creating a circle that becomes increasingly vicious. Fighting drug money, and money from organized crime in general, can make it possible to break the circle by depriving those running drug trafficking operations and their organizations of their motivation. Up to now, seizures of drugs, even in large quantities, have caused the drug traffickers only limited losses, which have been quickly compensated for by increasing shipments. Confiscation of the assets and property of criminals, however, undermines their capacity to organize and to maintain their logistics, as well as their ability to corrupt – hence, the basis of their power. It is often the only way to destroy criminal organizations and the kinds of trafficking operations that they develop. Moreover, in some countries the sums confiscated from drug traffickers can be allocated to the fight against drugs. They could be used to fund drug abuse prevention projects, to improve the capacity of law enforcement agencies or to enhance programmes for crop substitution and alternative development. This would help to intensify the fight against organized crime and the production of and traffic in narcotic drugs, thereby breaking the vicious circle.

9. Money and financial operations are the points where criminals are the most vulnerable. Because of the compartmentalization of the major criminal organizations, it is usually impossible to establish a link between a seized drug shipment and the real organizers of the drug trafficking operation. Money is often the only trail that goes all the way to the organizers.

10. The international community has begun establishing the legal means and procedures to detect and combat money-laundering; because of the international nature of money-laundering, a general mobilization in that direction is essential. Furthermore, no country, rich or poor, large or small, equipped with sophisticated machinery to fight money-laundering or not, can consider itself safe from money-laundering activities. A chain is no stronger than its weakest link, and the effectiveness of world machinery to fight money-laundering will depend on whether there are important gaps in that machinery, such as lax or non-existent regulations, unregulated offshore services, or commercial laws facilitating money-laundering.

11. The international response to the problem of money-laundering is all the more essential because the amounts of money involved in such activities are assuming such proportions that they are capable of tainting or destabilizing financial markets, endangering the economic, political and social foundations of economically weak States, especially States that have just developed market economies, and ultimately posing a real threat to democracy. Some politicians argue that, in the interest of economic development, they must oppose laws and measures against money-laundering; such arguments fail to consider the detrimental effects of such policies over time on social, economic and political development. Allowing proceeds from drug trafficking to infiltrate a national economy boosts the level of corruption in society. If large sums of such proceeds are invested into a certain part of an industrial or commercial sector, the other parts of that sector either will not be able to compete and will disappear or, in order to remain competitive, will have to adopt similar corrupt practices; thus,

the rest of the industrial or commercial sector and the entire economy will eventually become corrupt, and political and social life as a whole will suffer similar consequences.

B. United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988

12. The adoption of the 1988 Convention marked the first decisive step in mobilizing the international community for the fight against illicit drug trafficking.

13. In the 1988 Convention, money-laundering offences are defined and parties to the Convention are required to make them serious criminal offences, to be severely punished and subject to extradition. The 1988 Convention also calls for the establishment of identification and tracing machinery, as well as procedures for making banking, financial or commercial records available, while forbidding States to decline to act on the grounds of bank secrecy. It provides for international cooperation to investigate, prosecute and confiscate the proceeds of drug trafficking. It calls upon each party to consider, to the extent that its domestic law permits, ensuring that the onus of proof is reversed regarding the lawful origin of alleged proceeds or other property liable to confiscation. It defines mutual legal assistance, and encourages other forms of cooperation between legal and administrative systems by recommending less bureaucratic procedures for the exchange of information and data.

C. International organizational framework and action

14. Some encouraging developments have already taken place. As regards the financial sector, the Committee on Banking Regulations and Supervisory Practices,* on 12 December 1988, adopted a statement on prevention of criminal use of the banking system for the purpose of money-laundering,² which calls for greater vigilance on the part of the international banking community, particularly in identifying its customers, and increased cooperation with the judicial and police authorities in order to foil money-laundering operations. The statement has had a decisive impact within the international financial community, and many countries have introduced its principles into their financial systems.

15. The international community intensified its efforts in a tangible form, first of all in the work of the Financial Action Task Force established by the heads of State or Government of the Group of Seven major industrialized countries and the President of the Commission of the European Communities** at the fifteenth annual economic summit, held in Paris in July 1989. The Financial Action Task Force has taken the lead in efforts to combat money-laundering.

16. The first accomplishment of the Financial Action Task Force was the formulation of 40 recommendations, published in February 1990, which by and large strengthen and supplement in detail the provisions of the 1988 Convention and the principles of the statement adopted by the Committee on Banking Regulations and Supervisory Practices, particularly in the area of future cooperation between the financial system and law enforcement and in the area of international cooperation.

*The Committee comprises representatives of the central banks and supervisory authorities of Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, Netherlands, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland and United States of America.

**Now called the European Commission.

17. Besides encouraging States to become parties to the 1988 Convention, to enact financial legislation that does not run counter to the guidelines of the Financial Action Task Force and to increase multilateral cooperation in investigations and prosecutions, the recommendations focus on the improvement of national legal systems to combat money-laundering, the enhancement of the role of the financial system, understood in its broadest sense, and the strengthening of international cooperation.

18. The Financial Action Task Force has been conducting and developing an analysis of world financial flows, banking and financial systems and money-laundering methods. It has been studying weak links that facilitate money-laundering operations ("front" companies,* electronic transfers, offshore groups, non-face-to-face transactions etc.) within the framework of a multidisciplinary approach (legal, financial and law enforcement). The Financial Action Task Force considers improvements to advocated countermeasures and monitors and evaluates implementation of the recommendations, as well as the introduction of relevant laws and countermeasures by its members.

19. The Financial Action Task Force has also developed a dynamic approach with respect to non-members, encouraging them to adopt and implement the recommendations. For that purpose, it established in 1993 the Caribbean Financial Action Task Force. At the end of 1994, the Financial Action Task Force established a secretariat in Australia to facilitate its activities in Asia and the Pacific. Many States that are not members of the Financial Action Task Force have adopted some if not all of its recommendations and have proceeded to implement their principles.

20. As of 1 November 1995, the membership of the Financial Action Task Force included the governments of 26 States or territories,** as well as the European Union and the Cooperation Council for the Arab States of the Gulf.*** Its success was recognized by the heads of State or Government of the Group of Seven major industrialized countries and the President of the European Commission at the twentieth annual economic summit, held at Naples in July 1994, which supported the continuation of its work for five more years (1994-1999).

21. At the regional level, the Council of Europe is especially active in preparing international legal instruments. Twenty-four States have signed, and eight have ratified,**** its Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime,³ adopted in September 1990 by the Committee of Ministers of the Council of Europe. The convention facilitates international mutual assistance in this field. On 10 June 1991, the Council of the European Communities adopted directive 91/308/EEC, on prevention of the use of the financial system for the purpose of money-laundering,⁴ which provides an excellent model for national measures. Some United Nations entities, the European Commission, the Offshore Group of Banking Supervisors, the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States and the Commonwealth Secretariat are also active in this area, but they are operating with limited

*"Front" companies are entities that are legally incorporated (or otherwise organized) and participate, or act under the pretence of participating, in legitimate trade. However, this trade serves primarily as a cover for money-laundering.

**Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.

***Member States are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

****The following eight States have signed and ratified the convention: Bulgaria, Finland, Italy, Lithuania, Netherlands, Norway, Switzerland and United Kingdom. And the following 16 States have signed but not yet ratified it: Australia, Austria, Belgium, Cyprus, Denmark, France, Germany, Greece, Iceland, Liechtenstein, Luxembourg, Portugal, San Marino, Slovenia, Spain and Sweden.

human resources and their activities are often confined to a single region or subject in this area (such as legal assistance).

22. Representatives of the law enforcement agencies concerned, the Customs Co-operation Council (also called the World Customs Organization) and the International Criminal Police Organization (ICPO/Interpol), prepare analyses of money-laundering activities from an operational perspective and develop training programmes for financial investigators. ICPO/Interpol, in collaboration with the World Customs Organization, is developing a financial asset encyclopaedia that will provide information on the domestic legislation of some States in that field, as well as information for operational use. The World Customs Organization, with the support of the United Nations International Drug Control Programme (UNDCP) and ICPO/Interpol, has recently prepared a video aimed at heightening awareness of the growing problem of money-laundering.

D. Role of the United Nations in combating money-laundering

23. In 1994 and 1995, the following conferences, held under the auspices of the United Nations, all dealt with the necessity to introduce effective measures against money-laundering: the International Conference on Preventing and Controlling Money-Laundering and the Use of the Proceeds of Crime: a Global Approach, held at Courmayeur, Italy, from 18 to 20 June 1994;⁵ the World Ministerial Conference on Organized Transnational Crime, held at Naples from 21 to 23 November 1994;⁶ and the Ninth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held at Cairo from 29 April to 8 May 1995.⁷ The two entities of the Secretariat directly concerned with combating money-laundering, namely UNDCP and the Crime Prevention and Criminal Justice Branch, have been given specific mandates to that effect. Those mandates arise from the 1988 Convention in the case of UNDCP and, in the case of both UNDCP and the Branch, from various resolutions of the General Assembly, the Economic and Social Council, the Commission on Narcotic Drugs and/or the Commission on Crime Prevention and Criminal Justice.

24. Action by UNDCP in this field has so far taken place mostly in such areas as providing advice and assistance regarding legislation against money-laundering and assisting countries such as Colombia, Mauritius, Nigeria and Thailand in developing appropriate laws and legal infrastructure. In order to facilitate such assistance, UNDCP has developed model legislation on money-laundering and confiscation. Activities have also concentrated on raising awareness among Member States of the need for action against money-laundering, complementing in this respect the work of the Financial Action Task Force and other relevant entities; some specific activities have been developed, taking into account the limited resources, in some key areas, to start off programmes of action. At the same time, the idea of developing, together with the Crime Prevention and Criminal Justice Branch, a truly global programme of action against money-laundering, has been studied.

25. UNDCP has clear mandates to provide legal and training assistance in the fight against money-laundering. In 1995, in its resolution 9 (XXXVIII), the Commission on Narcotic Drugs requested UNDCP, in cooperation with the Crime Prevention and Criminal Justice Branch, to provide to requesting States technical assistance in the training of judicial and investigative personnel and assistance in the prevention and control of money-laundering and the illicit transfer of assets.

E. Results achieved to date

26. As of 1 November 1995, 119 States have become parties to the 1988 Convention. None of them has made reservations by directly objecting to provisions against money-laundering. All must therefore introduce the relevant countermeasures.

27. All but one of the members of the Financial Action Task Force, including all of the members of the European Union, have introduced the laws and procedures required by the 1988 Convention and those advocated in the 40 recommendations formulated by the Financial Action Task Force. In addition, an increasing number of States that are not members of the Financial Action Task Force have made it a criminal offence to engage in money-laundering and, with varying degrees of progress, are enacting the necessary laws, primarily to establish cooperation between the financial system and the competent law enforcement agencies, and are setting up the necessary specialized services, particularly to handle reports of suspicious transactions from the financial system. This is the case, for example, in Chile, Czech Republic, Hungary, Poland and Slovenia.

28. Other States, such as Argentina, Bolivia, Israel, Kyrgyzstan, Mauritius, Russian Federation, Thailand and Ukraine, are initiating this process.

29. The introduction of such countermeasures inevitably takes time, mainly because of the parliamentary processes for introducing new machinery. The development of such efforts at the international level is therefore a long-term enterprise. A first step may be accomplished in a shorter time, however, by strengthening the rules for vigilance in the financial sector, rules that normally fall within the scope of internal regulation. Such strengthening makes the financial sector less vulnerable to money-laundering operations and prepares the way for the specialized law enforcement services to be established.

30. Several States have concluded agreements with others on the sharing of seized proceeds and are exploring the possibility of signing other such agreements. In some countries at least part of the value of confiscated proceeds and property is contributed to governmental bodies specializing in the fight against illicit traffic and drug abuse. Although the 1988 Convention encourages States to contribute confiscated proceeds to intergovernmental bodies specializing in the fight against illicit traffic and drug abuse, to date no such contributions have been made to UNDCP.

31. The Financial Action Task Force monitors the implementation of the recommendations by its members. It does this, first, through self-evaluation in the form of detailed questionnaires that are filled out periodically by each member and, secondly, through an original procedure called "mutual evaluation", whereby the legislation and the machinery established in each member State are examined by experts from other member States and by the Financial Action Task Force secretariat. This examination leads to a report that is studied and discussed by all members in a plenary meeting, a summary of which appears in the annual report of the Financial Action Task Force. To date, all member States have been examined and a new round of examinations has started to assess developments and to evaluate the situation in each of them from a better perspective. An identical procedure has been introduced in the Caribbean. The Financial Action Task Force also tries to introduce evaluation procedures in non-member States that are contacted as part of its efforts to heighten awareness.

32. The adoption by States of appropriate, comprehensive legislation can have an immediate effect in hindering money-laundering activities. In general, the analyses carried out, particularly within the Financial Action Task Force and the results obtained in the fight against money-laundering show that the countermeasures introduced lead: first, to the transfer of money-laundering operations, especially in the initial stages, known as "placement" and "layering", to countries that have not introduced controls and/or to banking systems that are not sufficiently regulated and organized; and, secondly, to having recourse to the non-banking financial sector and to the non-financial sector. There is also a refinement of money-laundering methods linked with recourse to financial professionals.

33. Even countries or territories that were once regarded by persons engaging in money-laundering activities as safe havens, with deep-rooted traditions of bank secrecy, are losing their attractiveness to such persons as legislation and countermeasures have recently been introduced in those countries or territories. Examples of such countries or territories are the Cayman Islands, Luxembourg, Monaco and Switzerland.

34. This development has led the Financial Action Task Force to give further thought to so-called "shell",* "front" or "ghost"*** companies, to offshore financial havens and to the need to ensure transparency in the ownership of companies.

F. Observations

35. The Board considers that it is important to ensure that the roles of all organizations are complementary and that they cover both the theoretical and practical aspects of combating money-laundering at the international level. General policies should be formulated consistently and countries should be assisted, where necessary, in implementing those policies. While some progress has been made in this direction, the Board notes with concern that no concrete steps have been taken by the international community to effectively coordinate the fight against money-laundering worldwide. As a result, there is an evident lack of universality in the implementation of money-laundering countermeasures and there is no generally applicable instrument for assessing their results.

36. In order to achieve a more universal approach, the Board believes that a comprehensive framework should be established to coordinate measures taken against money-laundering throughout the world. Such a universal framework should include the systematic collection and dissemination of information about the seizure and confiscation of proceeds derived from drug trafficking, as well as mechanisms to monitor the international community's progress in preventing and controlling money-laundering. There should also be a thorough evaluation of the effectiveness of the countermeasures applied in this area. In order to achieve these goals, an appropriate instrument should be adopted that would expand to the international level the type of work done by the Financial Action Task Force in monitoring the implementation of its recommendations among its members. This would make it possible to record the successes of law enforcement in seizing and confiscating proceeds derived from drug trafficking, as has been done for drug trafficking seizures. The Board considers that the United Nations would be the logical body to undertake monitoring of progress achieved in preventing money-laundering worldwide and to promote further action in that area.

G. Recommendations

37. As stated above, the international community, regional organizations and States have taken many important steps. Much, however, remains to be done. Therefore the Board recommends that all Governments should:

(a) Become parties to the 1988 Convention and amend their laws and, where necessary, their constitutions in order to implement the 1988 Convention;

*"Shell" companies are entities legally established solely for the purpose of a criminal enterprise.

**In contrast to both "front" and "shell" companies, "ghost" companies exist in name only – no form of incorporation documentation is ever filed. "Ghost" companies are fictitious. They most often appear in shipping documents and fund transfer orders as consignees, freight forwarders or other third parties to conceal the ultimate recipients of illicit funds.

- (b) Introduce and effectively apply relevant laws against money-laundering, which must include laws on the confiscation of the property of traffickers;
- (c) Consider ensuring that the burden of proof is reversed regarding the lawful origin of alleged proceeds or other property liable to confiscation, as provided for in the 1988 Convention, article 5, paragraph 7, even if doing so entails adopting legal and/or constitutional amendments;
- (d) Implement fully the 40 recommendations formulated by the Financial Action Task Force;
- (e) Institutionalize procedures whereby financial institutions report suspicious transactions to a specialized body; and consider extending a similar reporting system to professions engaged in financial activities and persons engaged in the sale of expensive goods;
- (f) Set up specialized units to investigate and prosecute money-laundering;
- (g) Strengthen regulations governing companies so as to make ownership and control more transparent and to facilitate cooperation with law enforcement agencies that fight money-laundering;
- (h) Strengthen international cooperation in the fields of mutual legal assistance and law enforcement assistance;
- (i) Consider establishing a comprehensive worldwide framework to more effectively coordinate action against money-laundering;
- (j) Cooperate worldwide in evaluating procedures such as those developed by the Financial Action Task Force;
- (k) Introduce a worldwide system for recording and reporting seizures of proceeds derived from drug trafficking;
- (l) Conclude agreements with other Governments on the sharing of confiscated illicit proceeds, since this is a way to promote the willingness of Governments to investigate and share information on money-laundering activities;
- (m) Contribute part of the value of confiscated proceeds and property to governmental and intergovernmental bodies specializing in the fight against illicit traffic in and abuse of narcotic drugs and psychotropic substances.

H. Concluding remarks

38. The Board notes the different levels of progress so far achieved by Governments in the implementation of money-laundering countermeasures. It encourages Governments of countries with already functioning systems to assist those that have not been able to introduce such measures and/or to increase their support of UNDCP activities in this field.

39. The Board encourages all Governments and concerned international organizations to continue their efforts in developing the most appropriate mechanisms to detect, prosecute and prevent money-laundering activities. The time may have come to consider activities that could culminate in a legally binding international instrument that would deal more specifically with measures against money-laundering.

II. OPERATION OF THE INTERNATIONAL DRUG CONTROL SYSTEM

A. Narcotic drugs

1. *Status of the international conventions on narcotic drugs*

40. As of 1 November 1995, the States parties to the international conventions on narcotic drugs numbered 153, of which 19 were parties to only the Single Convention on Narcotic Drugs of 1961⁸ and 134 were parties to that Convention as amended by the 1972 Protocol.⁹ Since the Board last published its report, the following four States have succeeded or acceded to the 1961 Convention as amended by the 1972 Protocol: Guinea-Bissau, the Republic of Moldova, Swaziland and Uzbekistan. In addition, Ethiopia, Mali and Mauritius, which had already been parties to the 1961 Convention, acceded to the 1972 Protocol amending that Convention. The Government of Switzerland has recently informed the Board that it foresees that it will ratify the 1972 Protocol amending the 1961 Convention by April 1996.

41. Of the States that have yet to accede to the international conventions on narcotic drugs, 12 are in Africa, 6 are in Asia, 5 are in Central America and the Caribbean, 3 are in Europe and 6 are in Oceania. In addition, a number of newly independent States of the former Union of Soviet Socialist Republics have yet to indicate whether they intend to succeed or accede to the international conventions on narcotic drugs.

42. The Board hopes that the States concerned will not only take speedy action to become parties to the international conventions on narcotic drugs, but will also enact the necessary national legislation and regulations to conform to those conventions. The Board believes that accession to the 1961 Convention could soon result from mechanisms already in place in States such as Azerbaijan, Bhutan, El Salvador, Grenada, Guyana and Saint Vincent and the Grenadines, which have already become parties to the more recent international drug control treaties, the Convention on Psychotropic Substances of 1971¹⁰ and the 1988 Convention, and are benefiting from international assistance.

43. Some other States, namely Afghanistan, Algeria, Belarus, Bulgaria, Chad, Morocco, Myanmar, Nicaragua, Pakistan, Russian Federation, Saudi Arabia and Ukraine, which are already parties to the 1961 Convention, have not yet ratified the 1972 Protocol amending that Convention. The Board expects that ratification by those States will take place soon since they have all acceded to the more recent international drug control treaties.

2. *Cooperation with Governments*

44. In carrying out the responsibilities assigned to it under the international conventions on narcotic drugs, the Board maintains a continuous dialogue with Governments. The information provided by Governments enables the Board to study the licit movement of narcotic drugs, thereby ensuring that all Governments strictly observe the provisions prescribed under those conventions to limit the manufacture and importation of narcotic drugs to the quantities required exclusively for medical and scientific purposes and that measures are taken to prevent the diversion of narcotic drugs into illicit channels. This information, which is published every year by the Board, should be used by Governments to verify whether or not they have adequately applied the provisions of the conventions.

45. Annual estimates of narcotic drug requirements for 1996 were received from 157 States and territories. The Board established such estimates for 52 States and territories that had failed to furnish

their own estimates for 1996. The Board notes with concern that a number of States and territories have repeatedly failed to furnish estimates of narcotic drug requirements. It urges the Governments concerned to appreciate the significance of global application of the estimate system and to take effective measures to improve the situation.

46. No annual estimates of narcotic drug requirements have been received for the last three years from the following States: Afghanistan, Albania, Angola, Bangladesh, Bosnia and Herzegovina, Comoros, Djibouti, Gabon, Kenya, Liberia, Somalia, the former Yugoslav Republic of Macedonia, Viet Nam and Zambia. The Board understands that some of these States, because of their political situation, are not yet in a position to cooperate.

47. The Board notes with satisfaction that Saint Lucia and the United Republic of Tanzania, after having failed to furnish estimates for several years, have recently furnished estimates for 1996. The Board hopes that the two Governments will continue to cooperate with it by furnishing annual estimates on narcotic drugs in a timely manner.

48. As for the statistical returns required under article 20 of the 1961 Convention, 114 States and territories submitted to the Board complete statistical returns for 1994. The Board notes with satisfaction that Saint Lucia and Sierra Leone have again started submitting statistical returns and that, for the first time, Kyrgyzstan is also reporting data on narcotic drugs. Moreover, Algeria, Bangladesh, Benin and China, whose unsatisfactory cooperation in the past had been brought to the attention of the Board, have provided the required data for 1993 and 1994.

49. No statistical returns were received for 1994 from 28 States and territories, of which the following have failed to furnish statistical returns for the past several years: Cambodia, Djibouti, Gabon, Liberia, Papua New Guinea, Somalia and Zambia.

50. The Board emphasizes once again that the submission of statistical data is important for the efficient monitoring of the international control system. It hopes that States that are not yet able to comply with that requirement will soon remedy the situation, if necessary by requesting assistance in establishing the required control mechanism.

3. Assessment of the operation of the international narcotic drug control system

51. In recent years, there has been an increasing number of supplementary estimates furnished to and confirmed by the Board; that number exceeded 700 in 1995. The frequent submission of supplementary estimates may be an indicator of a Government's response to growing medical needs. It may, however, indicate the need for a Government to review its method of estimation. The Board requests that the Governments concerned, if they have not yet done so, should critically examine the method that they use for determining the quantities shown in their estimates, bearing in mind any new development in the medical use of such drugs in their countries. The Board emphasizes that the 1961 Convention allows supplementary estimates to be used in order to cope with unforeseen conditions, not in order to lessen the need to take care in preparing annual estimates.

52. The estimates most frequently amended in 1995 were for morphine, followed by pethidine, codeine, fentanyl, alfentanil, opium and methadone. The rising trend in morphine consumption is expected to continue with the expansion of the World Health Organization (WHO) three-ladder programme for cancer pain relief in an increasing number of countries. Governments should take into account any foreseeable needs when preparing annual estimates in order to avoid as far as possible the need for supplementary estimates.

53. Because the worldwide application of the treaty-based estimate and statistical returns systems has generally proved to be satisfactory, diversion of narcotic drugs into illicit channels in international trade continues to be minimal despite the vast number of transactions involved. Deficiencies in the application of control measures relating to international trade in narcotic drugs, however, particularly at points of entry in the countries of destination, have contributed to a situation whereby small quantities of narcotic drugs were found missing.

54. In 1994 and in the first half of 1995, the Board was informed of four cases concerning missing parts of consignments of narcotic drugs. Those cases involved shipments of fentanyl, sufentanil and dihydrocodeine. The Board would like to stress the importance of the provisions relating to international trade of article 31 of the 1961 Convention and to advise Governments to strengthen control measures for the transportation and distribution of certain narcotic drugs such as fentanyl and its analogues.

4. Measures to ensure the execution of the provisions of the international conventions on narcotic drugs

55. According to article 20, paragraph 1 (e), of the 1961 Convention, Governments have to furnish to the Board statistical data on "seizures of drugs and disposal thereof". These data, which are to be submitted annually to the Board, comprise the substance and quantity seized, the quantity destroyed and the quantity used for licit purposes.

56. Seizure data are an important tool for gauging global trends in illicit trafficking and may also serve as an indicator of the effectiveness of a given national drug control administration. Failure to submit information on seizures to the Board is often the result of inadequate coordination between different national bodies.

57. Since many Governments have repeatedly failed to submit data on seizures, the Board, in 1991, reminded Governments that had not provided seizure data during that year of their treaty obligations in that regard. In the course of 1995, the Board conducted a review of seizure data for 1993; it compared the seizure data submitted to it with data reported to ICPO/Interpol and to the Secretary-General.

58. Non-reporting of seizure data or inconsistencies in such data might indicate shortcomings in coordination among different governmental authorities, or even failure to apply treaty provisions. Governments approached by the Board on this matter might, therefore, find it necessary to review the efficiency of their special administrations (provided for in the 1961 Convention, article 17) in cooperating with other national bodies involved in drug control, in order to fully satisfy the reporting obligations specified in the 1961 Convention, article 20.

5. Abuse of pharmaceutical preparations containing narcotic drugs in Schedule III of the Single Convention on Narcotic Drugs of 1961

59. The Board has been aware of the abuse in certain countries of pharmaceutical preparations containing small amounts of narcotic drugs listed in Schedule III of the 1961 Convention. Such preparations are usually consumed in the form of cough syrup, and codeine is frequently the active ingredient. In some countries, such products can easily be obtained over the counter, without medical prescription. Cross-border smuggling, with ensuing sale in "parallel markets", is also frequent. Apparently some abusers use the cough syrup as a party drink.

60. Although statistical reporting on international trade in such preparations is not required under the provisions of the 1961 Convention, additional measures have been adopted in many countries to prevent the abuse of the preparations. The Board recommends that, when appropriate, control measures should be strengthened, not only related to internal consumption, but also with regard to import and transit procedures.

6. Trade in poppy seeds

61. The Board is concerned about trade in poppy seeds obtained from opium poppy plants in countries where poppy cultivation is prohibited. The Board urges Governments to be vigilant in order to ensure that poppy seeds traded for culinary purposes are not derived from illicitly cultivated poppy plants. Otherwise, they would inadvertently be promoting such illicit cultivation.

7. Timely provision of controlled drugs in acute emergency situations

62. The application of the export and import authorization system makes the quick international transportation of controlled drugs to sites of acute emergencies virtually impossible. Recognizing the difficulty involved, the Board in its report for 1994¹¹ proposed that the control obligations could be limited to the competent authorities of exporting countries in such situations. That proposal was endorsed by the Commission on Narcotic Drugs at its thirty-eighth session.¹²

63. The Board has subsequently been informed by WHO that the practice of limiting control obligations to the competent authorities of exporting countries in acute emergency situations is not yet widely known to national authorities, as few of them have implemented the practice. The Board recognizes the need for a more explicit statement of its position concerning this matter.

64. On the basis of the 1961 Convention, article 32, and the parallel article of the 1971 Convention, article 14, as well as the logic inherent in those articles, the Board affirms that the transportation and provision of controlled drugs needed for humanitarian aid in acute emergencies of natural or human origin constitute a genuine justification for non-application of the normal, regular control requirements. It recommends that national authorities of exporting countries should conclude standing agreements with a limited number of bona fide suppliers of humanitarian aid.* Such agreements may specify that in acute emergency situations the need for import and export permits may be replaced by an emergency procedure to allow the rapid import and export of controlled drugs. In such a situation, the humanitarian agency concerned would report the shipment of the controlled drugs to the authorities of the recipient country as soon as possible and would inform the authorities of the exporting country immediately. The authorities of the exporting country would take the responsibility for reporting to the Board.

8. Availability of opiates for medical purposes

65. In response to Economic and Social Council resolutions 1990/31 and 1991/43, in which the Council requested the Board to accord priority to monitoring the implementation of the recommendations contained in its 1989 special report on the demand for and supply of opiates for medical and scientific needs,¹³ the Board initiated a study during 1995 on the availability of opiates for medical needs. The purpose of the study is as follows:

*Such as the United Nations Children's Fund (UNICEF), WHO, the International Federation of Red Cross and Red Crescent Societies and the International Committee of the Red Cross and bona fide national suppliers.

- (a) To ascertain whether Governments had fully implemented the recommendations;
- (b) To identify Governments that had not yet fully implemented the recommendations and the reasons;
- (c) To propose measures to improve the situation regarding the worldwide availability of opiates for medical needs.

66. The study includes a survey of the competent authorities of all Governments and inquiries to WHO and to relevant professional organizations. A significant number of Governments of developing and developed countries responded to the survey. It is expected that once information contained in delayed replies is included in it, the survey will provide a comprehensive view of the world situation. The study also provides a review of trends in the consumption of opiates in an effort to better understand the situation in many countries and the changes that are occurring.

67. The Board will analyse the information collected and will publish its findings and recommendations.

9. Demand for opiates and supply of opiate raw materials

(a) Consumption of opiates

68. Annual global consumption of opiates stabilized at around 200 tonnes in morphine equivalent during the 1980s. Since the beginning of the 1990s, consumption has increased, reaching 230 tonnes in morphine equivalent in 1993, the highest level ever recorded. In 1994, global consumption of opiates continued to be high, reaching 223 tonnes in morphine equivalent, the second highest level ever recorded. The increase compared with pre-1991 levels can be partly attributed to increased consumption of codeine. In 1993, for example, codeine consumption rose to 182 tonnes in morphine equivalent, compared with the annual average consumption of 167 tonnes in morphine equivalent before 1991. As shown in figure I, the consumption of codeine in 1993 increased substantially, compared with the average level prevailing during the period 1980-1990, in the following major user countries: Australia, Canada, France, India, Switzerland, Turkey and United Kingdom. Those countries accounted in 1993 for 44 per cent of total codeine consumption.

69. Morphine and dihydrocodeine also accounted for the increase in global consumption of opiates. In fact, in 1994, global consumption of morphine, as well as global consumption of dihydrocodeine, reached the highest level ever. As illustrated in figure II, global consumption of morphine has steadily increased since 1984, and since 1991 it has increased by an average of 2 tonnes each year, reaching 14 tonnes in 1994. This upward trend has been particularly noticeable in France, Germany, Japan, United Kingdom and United States. Dihydrocodeine consumption has also shown a rapid increase in the last few years; for example, it increased from 21 tonnes in morphine equivalent in 1991 to 30 tonnes in morphine equivalent in 1994.

70. Codeine consumption oscillated at around 167 tonnes in morphine equivalent in the 1980s and was at that level in 1994. Based on estimates furnished for 1995 and 1996, codeine consumption in those years is likely to increase compared with the 1994 figure, owing to anticipated consumption increases in certain major user countries. As the increase in morphine consumption has been both steady and persistent in recent years, a further increase can be expected in the future. With the forecasted increase in the use of dihydrocodeine in Germany, Japan and the United Kingdom, as indicated by their estimates for the coming years, its consumption is also expected to continue to rise.

Figure I. Consumption of codeine by major user countries, in morphine equivalent, 1980-1994

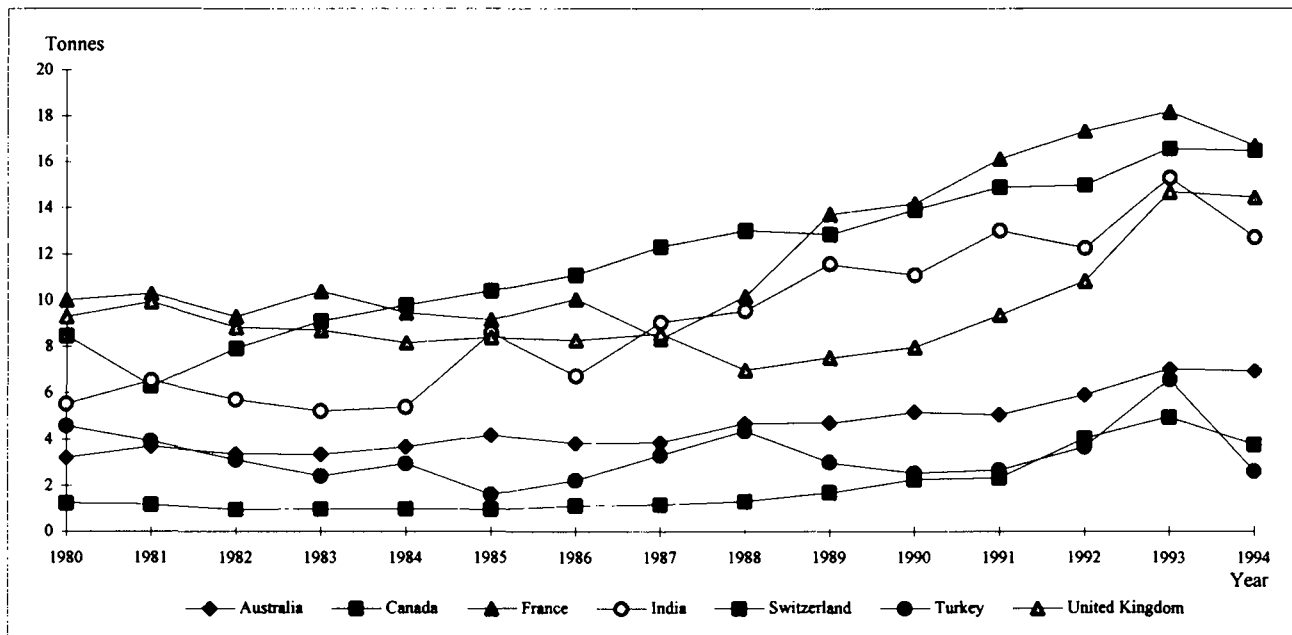
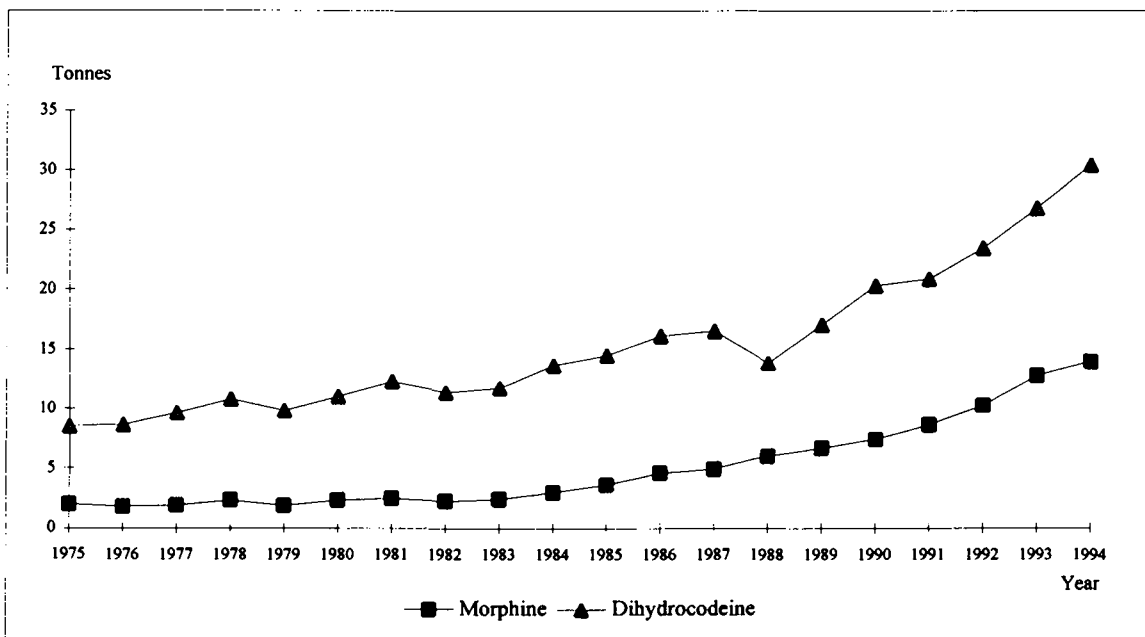


Figure II. Global consumption of morphine and dihydrocodeine, in morphine equivalent, 1975-1994

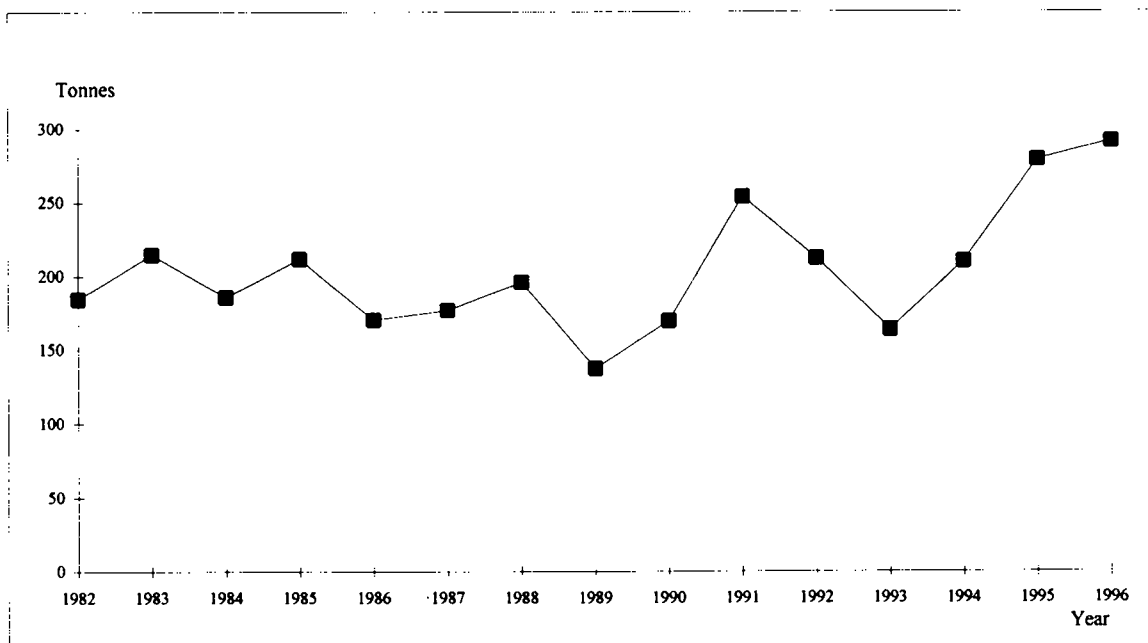


71. In view of the above, it is estimated that global annual consumption of opiates will continue to rise slowly in the next few years. The 1995 figure for calculated consumption is likely to be above 223 tonnes in morphine equivalent, the level reached in 1994, thereby continuing to follow the fluctuating pattern observed in recent years.

(b) Production of opiate raw materials

72. Because of substantial increases in the actual areas harvested in India and Turkey in 1995 compared with 1994, global production of opiate raw materials reached 279 tonnes in morphine equivalent, in spite of poor harvests in Australia and Spain (see figure III). According to the most recent statistics, the area harvested in India in 1995 was 22,799 hectares, almost twice the area harvested in 1994 and the largest area harvested in that country since 1987. The area harvested in Turkey in 1995 rose to 60,051 hectares, the largest area ever harvested in any country for licit purposes. Production of opiate raw materials in India and Turkey amounted to 89.3 tonnes and 80.6 tonnes in morphine equivalent respectively, together accounting for 61 per cent of the world total in 1995.

Figure III. Global production of opiate raw materials, in morphine equivalent, 1982-1996*



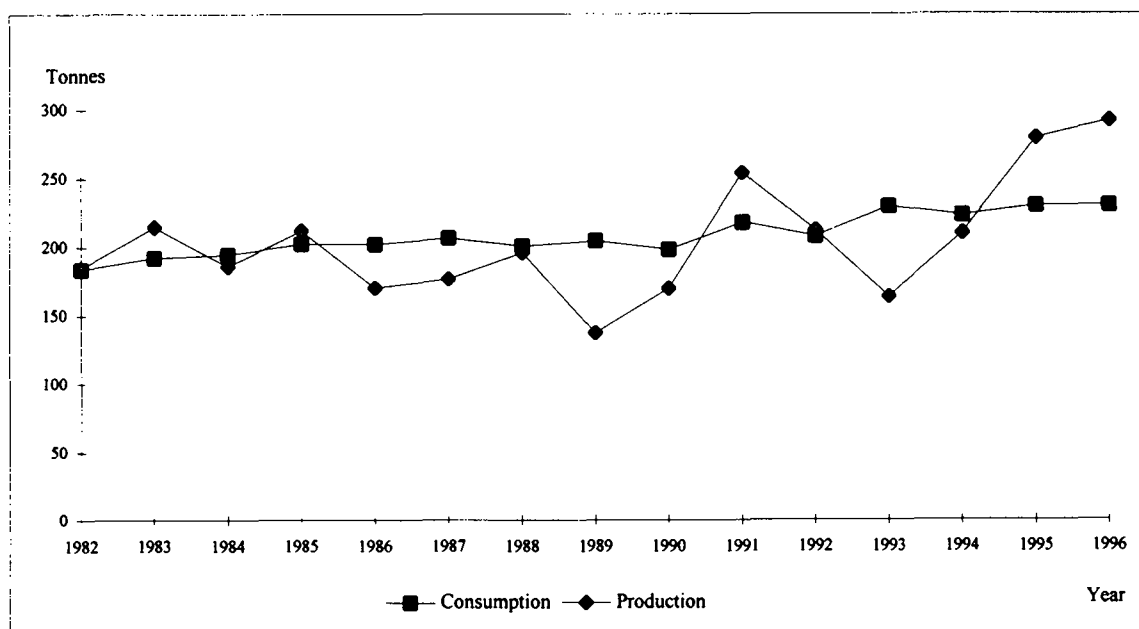
*Figures for the years 1995-1996 are based on advanced statistics and projections.

73. Based on the estimates, global production of opiate raw materials in 1996 is expected to increase to approximately 290 tonnes in morphine equivalent, under normal weather conditions. In response to an unexpected and exceptional shortfall in Australia of more than 40 per cent of production in 1995, which was caused by drought, the area under poppy cultivation in that country will be increased in 1996 by 1,350 hectares to 10,600 hectares. In India, because of insufficient rainfall in 1995 and a predicted low yield, the area licensed for cultivation has been increased to 35,000 hectares in order to reach the production level estimated for 1996. The actual area harvested may remain well below the area authorized for cultivation.

(c) *Balance between the production of opiate raw materials and the consumption of opiates*

74. In 1994, the calculated consumption of opiates exceeded the production of opiate raw materials by 12.8 tonnes in morphine equivalent. In 1995, however, as a result of rising production in India and Turkey in reaction to the prevailing stock situation, total production is expected to exceed consumption by approximately 50 tonnes in morphine equivalent. According to projections, in 1996, production may again exceed consumption; the difference could reach over 60 tonnes in morphine equivalent (see figure IV).

Figure IV. Global production of opiate raw materials and consumption of opiates, in morphine equivalent, 1982-1996^a



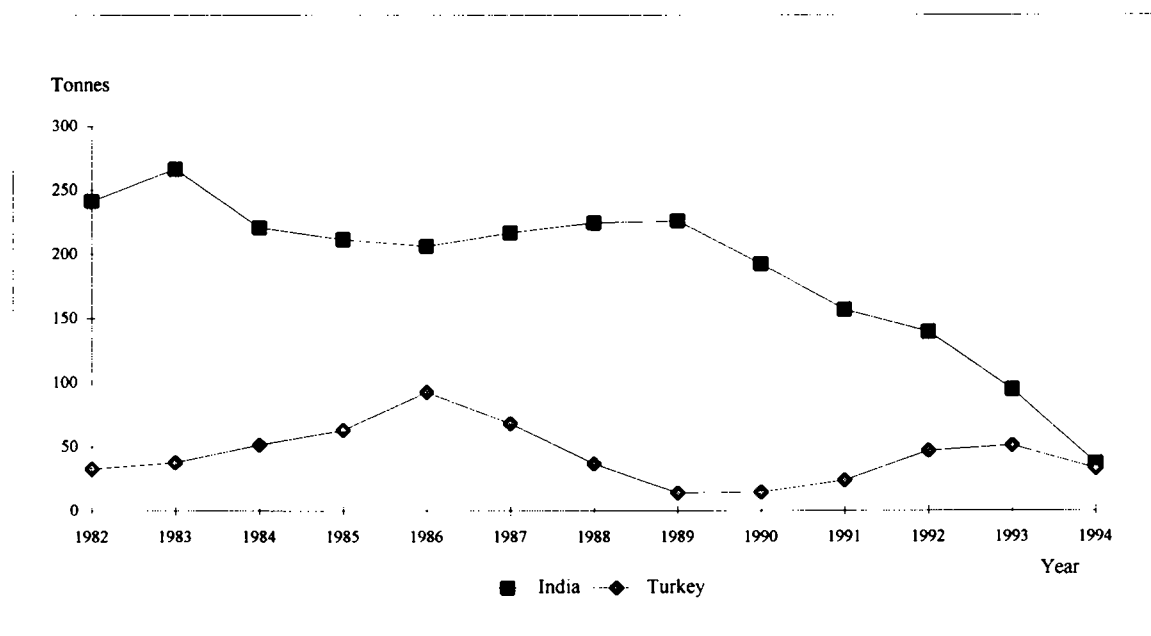
^aFigures for the years 1995-1996 are based on advanced statistics and projections.

(d) *Stocks of opiate raw materials*

75. Figure V shows the stocks of opiate raw materials held by India and Turkey from 1982 to 1994. It should be noted that, at the end of 1994, the stocks held by India amounted to 36.9 tonnes in morphine equivalent, of which about 14 tonnes were of commercial grade. The total amount of concentrate of poppy straw held in stocks at the end of 1994 by Australia, France, Spain and Turkey was approximately 47 tonnes in morphine equivalent, of which 33 tonnes were held by Turkey.

76. The amount of opium that will be available in India from 30 June 1995 until the next harvest, in May and June of 1996, is estimated at approximately 1,025 tonnes, including the 1995 harvest. According to information received during informal consultations held in March 1995 in response to Economic and Social Council resolution 1994/5, this amount should be sufficient for the world supply for the period 1995-1996. The Government of India has estimated that approximately 35 tonnes of opium will remain in stocks until the next harvest.

Figure V. Stocks of opiate raw materials, in morphine equivalent, India and Turkey, 1982-1994



77. During the informal consultations held in March 1995, concern was expressed by representatives of importing countries over the depletion of opium stocks in India. However, it was believed that there was no shortage of supply of opiate raw materials, but rather a low level of opium stocks (see table).

B. Psychotropic substances

1. Status of the Convention on Psychotropic Substances of 1971

78. As of 1 November 1995, the number of States parties to the 1971 Convention stood at 140. Since the issuance of the last report of the Board, Belgium, Chad, Guinea-Bissau, Lebanon, Mali, Republic of Moldova, Swaziland and Uzbekistan have become parties to that Convention.

79. Of the States that have yet to become parties to the 1971 Convention, 14 are in Africa, 17 are in Asia, 6 are in Central America and the Caribbean, 7 are in Europe and 7 are in Oceania. These figures include several newly independent States that have yet to indicate whether they wish to succeed or otherwise become parties to that Convention. The Board invites those States to confirm their adherence to the 1971 Convention at the earliest possible date.

80. The Board welcomes the recent parliamentary approval of accession to the 1971 Convention by Switzerland. The Government of Austria informed the Board in a letter received in October 1995 of its intention to accede to the 1971 Convention by the end of 1995. The Board is, therefore, confident that the forthcoming accession of these major manufacturing and exporting countries to the 1971 Convention will strengthen the international control system for psychotropic substances.

81. The Board notes that some other States that are not parties to the 1971 Convention, including Andorra, Indonesia, Iran (Islamic Republic of), Kenya, Namibia, Oman, Sao Tome and Principe and Yemen, have already enacted laws and regulations in conformity with that Convention. The Board hopes that those States will soon accede to the 1971 Convention.

Production of opiate raw materials, consumption of opiates and balance between the two, 1982-1996
(Area harvested in hectares; production, consumption and balance in tonnes of morphine equivalent)

Item	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996*
Australia															
Area harvested	2 459	5 273	5 738	4 851	3 994	3 274	3 462	5 011	5 581	7 155	8 030	6 026	6 735	8 139	10 600
Production	20.5	41.4	42.3	49.4	38.5	31.8	38.5	38.8	43.0	67.5	89.8	66.9	66.0	45.6	90.5
France															
Area harvested	4 460	3 731	3 705	4 029	3 200	3 300	3 113	2 644	2 656	3 598	3 648	4 158	4 431	4 866	5 500
Production	25.0	12.7	23.2	20.7	15.7	16.6	21.4	13.4	19.5	30.2	21.8	28.8	32.9	41.1	36.8
India															
Area harvested	31 958	31 359	18 620	25 153	23 811	22 823	19 858	15 019	14 253	14 145	14 361	11 907	12 694	22 799	35 000
Production	108.0	113.8	53.4	86.8	75.1	76.8	63.8	53.9	48.0	43.1	54.3	38.1	46.8	89.3	85.8
Spain															
Area harvested	1 602	3 311	4 567	4 042	3 458	3 252	2 935	2 151	1 464	4 200	3 084	3 930	2 539	3 623	6 000
Production	2.2	11.4	17.3	11.2	5.6	12.3	10.8	5.7	8.0	24.2	12.8	9.0	5.1	4.6	10.9
Turkey															
Area harvested	8 534	7 002	12 569	4 902	5 404	6 137	18 260	8 378	9 025	27 030	16 393	6 930	25 321	60 051	70 000
Production	13.3	11.5	20.8	9.2	8.4	9.2	24.7	7.2	13.3	57.9	18.7	7.8	41.1	80.6	49.7
Other countries															
Area harvested	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Production	<u>15.5</u>	<u>23.9</u>	<u>28.8</u>	<u>34.6</u>	<u>27.1</u>	<u>30.3</u>	<u>36.9</u>	<u>18.4</u>	<u>38.0</u>	<u>31.2</u>	<u>14.9</u>	<u>13.2</u>	<u>18.3</u>	<u>18.0</u>	<u>18.0</u>
Total															
Area harvested	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Production (1)	184.5	214.7	185.8	211.9	170.4	177.0	196.1	137.4	169.8	254.1	212.3	163.8	210.8	279.2	291.7
Total															
consumption (2)	<u>183.6</u>	<u>192.2</u>	<u>194.5</u>	<u>202.4</u>	<u>202.3</u>	<u>206.8</u>	<u>200.9</u>	<u>204.7</u>	<u>198.3</u>	<u>218.0</u>	<u>207.9</u>	<u>229.5</u>	<u>223.0</u>	<u>230.0</u>	<u>230.0</u>
Balance															
((1) minus (2))	+0.9	+22.5	-8.7	+9.5	-31.9	-29.8	+4.8	-76.3	-28.5	+36.1	+4.4	-65.7	-12.8	+49.2	+61.7

Note: Because the method used in recent years to calculate consumption of opiates in terms of morphine equivalent did not adequately reflect consumption trends, the International Narcotics Control Board decided to modify the way in which consumption levels, expressed in morphine equivalent, were calculated; as a result, minor adjustments have been made in some of the data in the table since the Report of the International Narcotics Control Board for 1994 (United Nations publication, Sales No. E.95.XI.4) was published.

*Estimates or projections.

82. At its thirty-eighth session, the Commission on Narcotic Drugs, in its decisions 1 (XXXVIII), 2 (XXXVIII) and 3 (XXXVIII), decided to include etryptamine and methcathinone in Schedule I, zipeprol in Schedule II and aminorex, brotizolam and mesocarb in Schedule IV of the 1971 Convention. Thus, the total number of substances controlled under the 1971 Convention has increased to 111. The Commission also decided, in its decision 4 (XXXVIII), to transfer flunitrazepam from Schedule IV to Schedule III of the 1971 Convention. The Board requests Governments to take appropriate action to bring existing domestic control regulations for these substances in line with the provisions of the 1971 Convention, as required in article 2, paragraph 7, of that 1971 Convention.

2. Cooperation with Governments

83. Approximately 170 States and territories annually provide the Board with statistical reports on psychotropic substances pursuant to article 16 of the 1971 Convention. Such reports are furnished by both parties and non-parties to that Convention. The timely submission, comprehensiveness and reliability of the annual statistical reports indicate the extent to which Governments have implemented the provisions of the 1971 Convention and have followed the relevant recommendations of the Board, endorsed by the Economic and Social Council in its resolutions. Several parties to the 1971 Convention have submitted annual statistical reports for 1994 after 30 June 1995, the deadline established by the Board for their submission. The Board urges the Governments concerned to ensure timely compliance with their reporting obligations.

84. The data provided by Governments to the Board are continuously analysed to identify weaknesses in systems of national control and any attempts to divert psychotropic substances from licit manufacture and trade into the illicit traffic. By its analysis and subsequent investigations, the Board has assisted Governments in the identification of companies and individuals diverting or attempting to divert psychotropic substances into illicit channels and those contravening domestic drug control regulations.

85. While most parties to the 1971 Convention have regularly submitted annual statistical reports, the Board is concerned that the following States have failed to submit the requisite data for three or more years: Gabon, Malawi, Mauritania and Zambia. All of these States have benefited from different forms of assistance provided by the Board or UNDCP. The Board will continue its dialogue with those parties to facilitate improvements in their control of psychotropic substances and in their meeting of reporting obligations.

86. A few parties to the 1971 Convention, including Canada, Luxembourg and New Zealand, do not yet control international trade in all substances in Schedules III and IV and do not report to the Board on exports and imports some of those substances. The Board has repeatedly reminded the Governments of those States of their failure to comply with the relevant treaty obligations and of the imminent risk involved, as such a situation could be exploited by traffickers. Explanations on the control of international trade in psychotropic substances were provided to the competent authorities of Canada and Luxembourg during missions of the Board to those countries in 1995 and 1994, respectively (for details on developments following the mission to Canada, see paragraphs 225-226, below). A mission of the Board is scheduled to visit New Zealand in January 1996. The Board trusts that the Governments of the parties concerned will act expeditiously to close a serious gap in the control of international trade in psychotropic substances.

3. Operation of the control system for substances in Schedules I and II of the 1971 Convention

87. As in the previous years, the control system for international trade in substances in Schedules I and II of the 1971 Convention continues to operate in a satisfactory manner. In conformity with the provisions of article 12 of that Convention, international trade in those substances is controlled by the system of import and export authorizations. In addition, pursuant to article 7 of the 1971 Convention, international trade in substances in Schedule I is restricted to small quantities needed for scientific and very limited medical use. With respect to substances in Schedule II, the simplified estimate system has been in place since the early 1980s, providing competent authorities of exporting countries with information on the legitimate requirements for those substances in importing countries.

88. The availability of information on legitimate needs for substances in Schedule II in importing countries facilitates the identification by exporting countries and the Board of attempts to divert such substances by means of falsified import authorizations. Governments now carefully review the legitimacy of orders for those substances and consult the Board in cases of doubt. Several attempts by traffickers to divert significant quantities of such substances, mainly fenetylline and methaqualone, have been thwarted as a result of close cooperation between Governments and the Board. No major diversion of substances in Schedule II has been detected since 1990. It appears, therefore, that preparations containing amphetamines, fenetylline and methaqualone on illicit markets in various parts of the world no longer originate in the licit pharmaceutical industry.

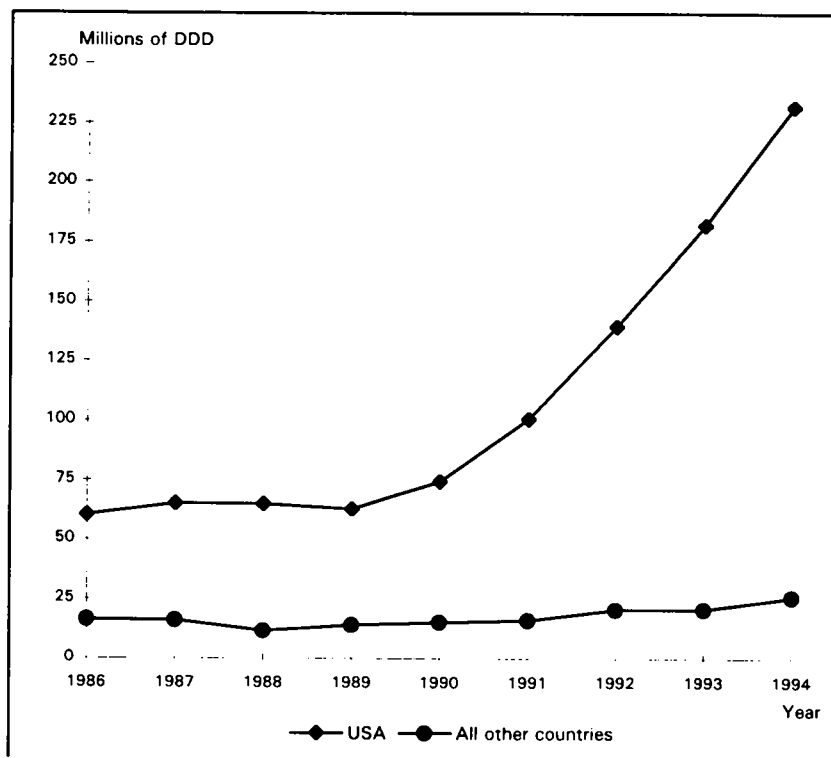
89. The Board is concerned that the mass media in some countries have given publicity to views glamorizing the recreational use of some psychotropic substances in Schedule I, including methylenedioxymethamphetamine (MDMA), commonly known as "ecstasy". The Board emphasizes that such views can lead to false perceptions and can undermine drug abuse prevention efforts. The Board, therefore, calls on the media to ensure that their publications and broadcasts are not damaging and counterproductive to their otherwise valuable and necessary contribution to the campaign to prevent drug abuse.

4. Use of methylphenidate for the treatment of attention deficit disorder

90. The worldwide use of methylphenidate, a substance in Schedule II of the 1971 Convention, increased from less than 3 tonnes in 1990 to more than 8.5 tonnes in 1994 and continued to rise in 1995. The global trend largely reflects developments in the United States, which accounts for approximately 90 per cent of total world manufacture and consumption of the substance. Methylphenidate is increasingly being used in the United States for the treatment of attention deficit disorder (ADD) in children. Some other countries have also reported increases in the use of methylphenidate for this purpose, but at a markedly lower rate (see figure VI).

91. At present, 3-5 per cent of all schoolchildren in the United States have reportedly been diagnosed as suffering from ADD and are treated with methylphenidate, frequently without the benefit of other forms of assistance recommended in treatment guidelines. According to some reports, ADD may be diagnosed too often as other causes of attention and behavioural problems might be overlooked. An investigation by the competent authorities of the United States revealed divergent prescribing practices for methylphenidate among primary-care physicians, as a very small percentage of such physicians issued the majority of the prescriptions for methylphenidate. Many children remain on methylphenidate treatment for longer periods of time, frequently into adolescence and even adulthood. The abuse of methylphenidate in the United States has increased and cases have been reported of serious damage to health as a result of such abuse. Methylphenidate is mainly abused by adolescents who illegally obtain the substance in tablet form from children undergoing treatment for ADD.

Figure VI. Consumption of methylphenidate, in defined daily doses, United States of America and all other countries, 1986-1994



Note: The United States authorities reported that consumption of methylphenidate is expected to increase further by 50 per cent and will reach 350 million defined daily doses (DDD) by 1996.

92. The competent authorities of the United States have informed the Board of their concern at the sharp increase in the use of methylphenidate, especially the preparation sold under the trade name Ritalin. Treatment of ADD with Ritalin is being actively promoted by an influential "parent association" that has received significant financial contributions from the leading manufacturer of this preparation in the United States.

93. The Board is concerned about this situation. It therefore requests the authorities of the United States to continue to carefully monitor future developments in the diagnosis of ADD in children and the extent to which methylphenidate and other stimulants (such as dexamfetamine and pemoline) are used in the treatment of ADD, in order to ensure that these substances are prescribed in accordance with sound medical practice as required under article 9, paragraph 2, of the 1971 Convention. In addition, the Board invites the authorities of the United States to review whether article 10, paragraph 2, of the 1971 Convention, prohibiting the advertisement of controlled substances to the general public, is not being undermined by the activities of "parent associations" advocating the use of methylphenidate.

94. The Board requests all Governments to exercise the utmost vigilance in order to prevent "overdiagnosing" of ADD in children and medically unjustified treatment with methylphenidate and other stimulants. The Board invites WHO to evaluate, as a matter of priority, the prevalence of ADD

in various parts of the world, the diagnostic criteria for ADD, and the use of methylphenidate and other stimulants and any other forms of treatment of that disorder in children. The Board also invites WHO to bring the results of the evaluations to the attention of national public health authorities.

5. Control mechanism for international trade in substances in Schedules III and IV of the 1971 Convention

95. Over the past 10 years, the Board has repeatedly urged Governments to apply additional control measures to international trade in psychotropic substances in Schedules III and IV. The Board has emphasized that the control measures for international trade in such substances, as laid down in the 1971 Convention, have in practice not been effective enough in preventing diversion. Large quantities of psychotropic substances have continued to be diverted into the illicit traffic from countries that have not yet implemented supplementary control measures recommended by the Board.

96. Additional control measures recommended by the Board for the export and import of psychotropic substances in Schedules III and IV include use of the system of import and export authorizations and the system of assessments (simplified estimates). Governments have also been requested to provide, in their annual statistical reports to the Board, details on imports and exports of those substances. All of these recommendations have been endorsed by the Economic and Social Council in several of its resolutions, the most recent being resolutions 1991/44 and 1993/38. The majority of Governments have already implemented such voluntary control measures. The Board invites Governments that have not implemented such measures to do so without further delay.

97. At present, import authorizations are required by national legislation in 120 countries and territories for all substances in Schedules III and in 100 countries and territories for all substances in Schedule IV. In an additional 40 countries and territories, the requirement of import authorization has been introduced for at least some substances in those schedules. Over 140 Governments have provided the Board with assessments (simplified estimates) of their legitimate annual requirements for substances in Schedules III and IV. All countries exporting psychotropic substances are regularly informed of the assessments. About 90 per cent of Governments have included in their annual statistical reports to the Board details on the countries of origin of imports and the countries of destination of exports of substances in Schedules III and IV. Those details are now furnished to the Board by all major exporters and importers of psychotropic substances and enable the detection of diversion and of weaknesses in the control systems.

6. Prevention of diversion of substances in Schedules III and IV of the 1971 Convention

98. The Board notes with satisfaction that most Governments have already established effective mechanisms for the control of exports of substances in Schedules III and IV of the 1971 Convention. A number of them regularly consult the Board regarding the legitimacy of suspicious import orders. In 1995, the Board and the competent authorities of several exporting countries carried out joint investigations into the legitimacy of more than 60 commercial orders, thereby preventing the diversion of hundreds of millions of tablets containing psychotropic substances, including stimulants (amfepramone and pemoline), sedative-hypnotics and tranquillizers (chlordiazepoxide, diazepam, nitrazepam and temazepam) and anti-epileptics (phenobarbital). In most of those cases, traffickers attempted to divert psychotropic substances by using falsified import authorizations.

99. Developments in 1995 showed that exporting countries should exercise the utmost vigilance with respect to orders for the delivery of psychotropic substances to countries in which the political situation is unstable. Traffickers often attempt to take advantage of administrative weaknesses existing in those States. In one such case, the Indian authorities brought to the attention of the Board several suspicious orders for the delivery to Liberia of a total of 100 million tablets and capsules containing

chlordiazepoxide and diazepam. Those orders were supported by import authorizations and letters purportedly from the competent authorities of Liberia. Also submitted were orders and supporting documents for more than 50 million ephedrine tablets. Investigations in Liberia initiated by the Board, however, confirmed that supporting documents had been falsified or had been erroneously issued by authorities misled by traffickers. In 1995, falsified import authorizations, purportedly issued by the authorities of Afghanistan and Somalia, were also used by traffickers in attempts to divert psychotropic substances.

100. A number of attempts were made by traffickers in 1995 to divert phenobarbital raw material and phenobarbital tablets into illicit channels in various parts of the world. Traffickers attempted to divert large quantities of this substance to countries in West Asia where phenobarbital is used for the purpose of adulterating illicitly manufactured heroin. The Board would like to commend the authorities of Hungary for their vigilance which led to the prevention of the diversion of at least 6 tonnes of phenobarbital into illicit channels in Afghanistan and Pakistan. The Board requests Governments to carefully review the legitimacy of all orders for phenobarbital, in particular those destined for delivery to countries in West Asia.

101. Some Governments in Africa, Asia and South America have informed the Board of the detection of consignments of psychotropic substances, mainly amfepramone, phenobarbital and different benzodiazepines, that have been exported to their countries without the import authorizations required under national legislation. Those exports were effected by companies in Belgium and Switzerland, States not yet applying adequate export controls. The Board hopes that, following the adherence of those States to the 1971 Convention (see paragraphs 78 and 80, above), further diversion of psychotropic substances from their territories will be prevented.

102. The Board is concerned that some Governments were not in a position to respond promptly to its requests for details of suspicious exports of psychotropic substances from their territories. Such problems were mainly experienced by States – including some major exporters of psychotropic substances – which have not yet started to control their exports of all substances in Schedules III and IV using the system of import and export authorizations. The Board requests the Governments concerned to strengthen their national control provisions regarding record keeping and reporting obligations by companies to ensure the prompt submission of responses to the Board's enquiries on suspicious transactions.

103. The Board notes that some exporting countries applying the system of export authorizations for substances in Schedules III and IV have not yet verified every import order against assessments (simplified estimates) of annual legitimate requirements of importing countries. Consequently, traffickers have been able to divert psychotropic substances by means of falsified import authorizations. For example, more than 800 kg of chlordiazepoxide were exported from Italy to Nigeria in 1994 and 1995 while the assessment of annual legitimate requirements of Nigeria for that substance was only 78 kg. The investigations initiated by the Board revealed that Nigerian import authorizations, on the basis of which the exports took place, had been forged. More than 80 million capsules containing chlordiazepoxide were diverted into the illicit traffic in Nigeria.

104. The Board welcomes the action taken by the authorities of Italy and Nigeria to investigate this case and prevent further diversion of chlordiazepoxide. The Board urges all Governments to use systematically as guidance, during the review of legitimacy of import orders, assessments of annual legitimate requirements of importing countries. Exporting countries are encouraged to consult the Board in all cases when import authorizations or other supporting documents appear to authorize imports higher than the annual legitimate requirements of the importing country or when there is any suspicion that the order might be ultimately destined for the illicit traffic.

105. The Board is concerned that some companies have been repeatedly involved in the diversion of psychotropic substances. The Board, therefore, urges Governments to ensure that licences to manufacture or trade psychotropic substances are only granted to persons who are adequately qualified for the effective and faithful execution of the provisions of laws and regulations enacted in pursuance of the 1971 Convention, as required under article 8, paragraph 4, of that Convention.

7. Illicit use of diazepam in the manufacture of "black pearls"

106. Very large quantities of preparations called "black pearls" (also known as Tung Shueh, Cows Head and Chiu-fong Toukawan pills) are being illicitly imported, primarily into the United States. The pills are described by their distributors as herbal medicine to treat arthritis and other ailments in elderly persons and have been sold as over-the-counter medication. Contrary to their labelling, "black pearls" contain some synthetic substances including diazepam, a tranquillizer in Schedule IV of the 1971 Convention. The covert and medically inappropriate use of these substances has led to severe health problems and, in a number of cases, death. Adulterated "black pearls" are smuggled in bulk into the United States out of countries in east Asia. A record seizure of 31 million "black pearls" was made in June 1994.

107. Inquiries of the Board with the competent authorities of Canada, Hong Kong, Malaysia and Singapore revealed that they also had encountered problems with preparations marketed as traditional medicine under the name of "black pearls" or under one of the other above-mentioned names. Though the combination of substances contained in the pills varied, it included diazepam and substances that were not internationally controlled, such as indomethacin, prednisolone, mefenamic acid and hydrochlorothiazide.

108. The marketing of adulterated "black pearls" and similar products appears to be an international problem. Therefore, the Board has drawn the attention of WHO to this matter, particularly in view of the serious health threat associated with the illicit use of diazepam and the other active ingredients contained in the preparations. The Board invites all Governments to investigate whether these adulterated products are being illegally distributed in their countries. Governments of countries in east Asia, in which the manufacture of those traditional medicines takes place, are requested to ensure that no diazepam is being diverted for illicit use as an adulterant in their manufacture.

8. Diversion of ephedrine tablets into Africa

109. In its report for 1993,¹⁴ the Board expressed the opinion that because of a substantial reduction in the diversion of pemoline into the illicit traffic in countries in western Africa, traffickers would attempt to divert other stimulants into the illicit traffic in that subregion. In addition, the Board expressed its concern about reports of suspicious exports of ephedrine to Africa. Ephedrine is not included in any of the schedules of the 1971 Convention but is controlled under the 1988 Convention as a precursor* for internationally controlled stimulants such as methamphetamine and methcathinone.

*The term "precursor" is used to indicate any of the substances in Table I or II of the 1988 Convention, except where the context requires a different expression. Such substances are often described as precursors or essential chemicals, depending on their principal chemical properties. The plenipotentiary conference that adopted the 1988 Convention did not use any one term to describe such substances. Instead, the expression "substances frequently used in the illicit manufacture of narcotic drugs or psychotropic substances" was introduced in the Convention. It has become common practice, however, to refer to all such substances simply as "precursors"; although that term is not technically correct, the Board has decided to use it in the present report for the sake of convenience.

110. In 1995, a number of attempts to divert large quantities of ephedrine tablets into countries in Africa were detected. The methods and routes of diversion of such pharmaceutical preparations are often the same as those for psychotropic substances. The countries affected by detected diversion attempts were Liberia, Nigeria and Sierra Leone. The information received from those and other countries in western Africa confirms that ephedrine tablets are being diverted for abuse as stimulants. The Board requests the Governments concerned to examine the extent of abuse of and illicit trafficking in ephedrine and pseudoephedrine preparations and to bring any information at their disposal to the attention of the Board and WHO, which is collecting information for possible future review of those substances.

9. Diversion of psychotropic substances from domestic distribution channels

111. The Board notes with concern that, in addition to diversion from international trade, significant quantities of psychotropic substances are diverted from domestic distribution channels. The substances are sold for local abuse or are smuggled into other countries in which illicit markets for those substances exist. For example, the increasing illicit traffic in flunitrazepam tablets in the United States, a country in which this substance is neither manufactured nor licitly sold, appears to be fuelled mainly by diversion of the tablets from their licit wholesale and/or retail distributors in other countries, including Colombia and Mexico. Similarly, traffickers in Turkey have attempted to obtain large quantities of flunitrazepam tablets for local abuse by diversion from licit domestic distribution channels in Bulgaria.

112. According to reports by ICPO/Interpol, during smuggling attempts in 1994 and 1995, several countries made significant seizures of preparations containing psychotropic substances that had been manufactured by the licit pharmaceutical industry in other countries and diverted from domestic distribution channels. Governments of countries where large seizures are made should always provide relevant information to the authorities of the country where the diversion took place, if that country has been identified. The Board is at the disposal of Governments to facilitate the exchange of information in order to identify the companies and individuals involved in the diversion.

113. Governments should make efforts to raise the awareness of pharmaceutical manufacturers and wholesale and retail distributors of the methods of diversion used by traffickers and should encourage their cooperation with the competent authorities. When appropriate, relevant control regulations should be strengthened. The Board notes with appreciation that national regulations in the United Kingdom on temazepam, a benzodiazepine in Schedule IV of the 1971 Convention, have recently been strengthened to tackle the almost epidemic problem of its local abuse. For several years, millions of temazepam capsules and tablets have been diverted annually in the United Kingdom by well-organized criminal groups using a variety of means, including large-scale theft and bogus exports. New regulations in the United Kingdom restrict the prescribing of temazepam in capsule form, make unlawful possession of temazepam a criminal offence, impose stricter controls on import and export and require manufacturers, wholesalers and retail pharmacies to keep the drug in secure conditions.

114. In countries where no control system for psychotropic substances exists, it is not possible to prevent their diversion from domestic distribution channels. Furthermore, the absence of laws and regulations precludes the prosecution of traffickers, as shown by a case in Austria that was mentioned in the report of the Board for 1994.¹⁵

10. Follow-up conference on control of international trade in psychotropic substances in Europe

115. The Board and the Pompidou Group of the Council of Europe jointly organized a Conference on Control of International Trade in Psychotropic Substances in Europe, held at Strasbourg, France, from 3 to 5 March 1993. That Conference drew up recommendations for the enhancement of the control of licit international trade by member States of the Pompidou Group in order to prevent diversion. The objective of the follow-up conference, which took place at Strasbourg from 18 to 20 October 1995, was to review the implementation of the recommendations of the 1993 Conference and to examine recent trends in the diversion of psychotropic substances from the licit manufacture and trade in Europe into illicit channels.

116. One of the conclusions of the follow-up conference was that until the control of international trade in psychotropic substances in Schedules III and IV by the system of import and export authorizations was applied by all countries, its effectiveness would remain limited and the diversion of those substances would continue. The conference recommended that parties to the 1971 Convention should propose an amendment under the simplified procedure (article 30) to make it a treaty obligation to apply the system of import and export authorizations for substances in Schedules III and IV and the system of assessments (simplified estimates) for psychotropic substances.¹⁶

117. The follow-up conference noted with concern the risk of cuts in staff resources of regulatory authorities in some European countries, including important manufacturers and exporters of psychotropic substances. That was in contradiction with the increased number of substances under international control and the increased number of transactions to be monitored.¹⁷ Such a development would have a negative impact on the control capacity of not only the countries concerned, but also the international community as a whole.

118. The Board hopes that, in addition to the European countries concerned, countries in other regions, especially those that are major manufacturers and/or exporters of psychotropic substances, will ensure adequate resources for their national regulatory authorities.

11. Veterinary use of psychotropic substances

119. In the course of investigations into attempts to divert large quantities of controlled stimulants into the illicit drug traffic in Africa, the Board had received information that those stimulants were purportedly required for veterinary purposes. However, a recent study carried out by the secretariat of the Board, in close cooperation with Governments throughout the world, confirmed that stimulants were not being utilized for veterinary purposes. Psychotropic substances in veterinary practice are mainly from the group of sedative hypnotics and tranquillizers. These substances are utilized in clinical treatment, for transport and grouping of animals, anaesthesia and euthanasia.

120. The Board would like to remind all Governments that the provisions of the 1971 Convention and the recommendations contained in the relevant resolutions of the Economic and Social Council are applicable to psychotropic substances independent of the purpose of their use. Therefore, reports of Governments on manufacture, use and international trade in psychotropic substances, as well as assessments of legitimate requirements for such substances, should include quantities destined for veterinary purposes.

C. Precursors

1. Status of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988

121. As of 1 November 1995, five years after the entry into force of the 1988 Convention, 119 States and the European Community had become parties to that Convention. That number represents 62 per cent of all the States in the world. Since the report of the Board for 1994 was issued, 16 States have acceded to the 1988 Convention: Algeria, Belgium, Cape Verde, Chad, Guinea-Bissau, Haiti, Lesotho, Mali, Norway, Republic of Moldova, Saint Kitts and Nevis, Saint Lucia, Swaziland, Trinidad and Tobago, Uruguay and Uzbekistan.

122. The Board welcomes this development. It is, however, concerned that some major manufacturing and exporting States are not yet parties to the 1988 Convention. The Board wishes to reiterate its request to all those States that have not yet already done so to become parties to that Convention as soon as possible.

2. Cooperation with Governments

(a) Reporting to the International Narcotics Control Board under the 1988 Convention

123. As of 1 November 1995, a total of 115 Governments had submitted to the Board information for 1994 relating to precursors pursuant to article 12 of the 1988 Convention, including those States members of the European Union that had furnished the data through the European Commission. The figure represents over one half of the countries and territories requested to provide information, a rate of return similar to that in previous years. The Board notes, however, that despite some improvement only 68 per cent of all parties have submitted the requisite data for 1994 and that a certain number of parties have not reported to the Board for the last two years.

124. The timely submission of complete information to the Board pursuant to article 12 of the 1988 Convention is an indicator of whether a Government has put in place: control systems to monitor transactions in precursors; mechanisms to ensure appropriate coordination between different agencies; procedures for data collection and information-sharing; and relevant legislation and regulations. Lack of reporting to the Board may indicate that the necessary framework and systems for control are not yet in place. It is therefore a matter of serious concern to the Board that a number of parties have continued to fail to submit the requisite information. The Board is contacting directly all the countries concerned to examine with the competent authorities the problems that prevent them from reporting to it.

(b) Providing to the International Narcotics Control Board specific information on licit trade

125. The Board welcomes the initiative taken by the Commission on Narcotic Drugs, and endorsed by the Economic and Social Council, in requesting Governments to provide to the Board data necessary for monitoring the movement of precursors. In its resolution 1995/20, the Council urged Governments, subject to the provisions of national legislation on confidentiality and data protection, to inform the Board on a regular basis, upon request of the Board and in the form and manner provided for by it, of the quantities of substances in Table I of the 1988 Convention that they had imported, exported or transhipped, and encouraged them to estimate their annual licit needs. Such information is indispensable if the monitoring mechanisms provided for under the 1988 Convention are to be effective in preventing diversion of precursors. The Board will contact those countries and territories through which there is a large volume of licit commercial trade in precursors.

3. Operation of the control system and prevention of diversion into the illicit traffic

126. The Board continues to review action taken by Governments to implement the provisions of article 12 of the 1988 Convention. A detailed examination of such action is given in the 1995 report of the Board on the implementation of article 12.¹⁸

(a) General operation of the control system and further action required

127. The diversion of precursors from licit channels into the illicit manufacture of drugs is, almost exclusively, the source of the chemicals required for such illicit manufacture. In 1994 the Board reported the discovery of cases involving the diversion and attempted diversion of large quantities of ephedrine,¹⁹ a precursor for the stimulant methamphetamine, which is widely abused in various parts of the world. Based on those findings, the Board, in its 1994 report on the implementations of article 12 of the 1988 Convention,²⁰ made specific recommendations, providing full details on a number of practical steps that could, and should, be taken by Governments to prevent diversion of precursors. As a result, competent authorities of an increasing number of exporting and importing countries have, as a matter of priority, taken action to verify the legitimacy of individual transactions prior to their release. Those exporting countries have contacted directly the importing countries to verify the legitimacy of transactions or have asked for the Board's assistance in doing so.

128. As a result of that action, a number of other cases involving suspicious transactions and diversion attempts have been identified and those shipments have been stopped. Cases in which diversion actually occurred have also been uncovered, and new or previously unknown routes of diversion have been identified. The large-scale global diversion of substances listed in Tables I and II of the 1988 Convention continues, however, as shown by the continuing ability of drug traffickers to meet the demands of the illicit drug market. Nonetheless, the methods and routes of diversion used are becoming more visible, as effective precursor control systems are being established in a growing number of countries. A brief summary of the major findings of some of those cases is given below.

129. Attempts to divert ephedrine to North America, often using falsified documents, have continued. Following the introduction of stricter controls in Mexico new routes of diversion have emerged. Guatemala continues to be targeted by traffickers as a transshipment point for the diversion of ephedrine to North America. Intermediaries in Slovenia and the United Arab Emirates, an important transit country, were found to be facilitating diversion of ephedrine. Missions of the Board were sent to Guatemala and the United Arab Emirates (see paragraphs 207, 335 and 336, below, for more details).

130. While further action by some Governments is required to minimize the risk, through the cooperation of the Governments of all the countries concerned, the opportunity for diversion attempts following routes such as those described above is being reduced. However, as controls over ephedrine are tightened, some traffickers have turned to using pseudoephedrine as a substitute for ephedrine in the illicit manufacture of methamphetamine.

131. In a few cases controlled deliveries were undertaken, resulting in the arrest of traffickers and the seizure of the chemical involved. The ephedrine and pseudoephedrine reported seized or stopped during the 12-month period beginning in September 1994 totalled 95 tonnes, enough to manufacture about 65 tonnes, the equivalent of 6 billion street doses, of the stimulant methamphetamine. About a dozen methamphetamine cases, each involving several tonnes of the substance, were identified when falsified documents were discovered because of efforts by the Governments of the exporting, importing and transit countries concerned, with the assistance of the Board, to verify the legitimacy of individual transactions.

132. Previously unknown routes and points of transshipment for diverted acetic anhydride, a key chemical used in the illicit conversion of morphine to heroin, have also been identified. For example, companies located in the United Arab Emirates played a part in recently uncovered diversion attempts. In one case, acetic anhydride was legally exported in several consignments from Germany to a company in the United Arab Emirates, allegedly for use in the manufacture of insecticides and antiseptics. From there the consignments were smuggled by sea into Turkey. Since mid-1994 over 50 tonnes of acetic anhydride of German origin, enough to manufacture between 20 and 40 tonnes of heroin, have been seized in Turkey. In another case, almost 40 tonnes of acetic anhydride originating in China and destined to be transported through Hong Kong, the United Arab Emirates, the Islamic Republic of Iran, and Afghanistan to a tribal area in Pakistan, were identified. The authorities of Hong Kong alerted the Board to the transaction, and the authorities of the United Arab Emirates stopped the shipment. These cases illustrate the frequent utilization of complex routes to disguise the country of destination, and of falsified declarations of use to avoid suspicion. The Board commends the governments of the countries and territories concerned for having acted promptly and appeals to all others with major transit trade involving precursors to put in place the necessary control systems to enable them to undertake similar activities.

133. Details of the cases mentioned above, and of other cases involving diversion and attempted diversion, are given in the 1995 report of the Board on the implementation of article 12 of the 1988 Convention.¹⁸ Despite these successes, there remain many points throughout the world that are vulnerable to diversion. Governments are invited to adopt the recommendations of the Board on action to prevent diversion and on more effective control of precursors, which are contained in the above-mentioned report.

134. In order for such action to be effective, however, it is essential that Governments of importing countries reply in a timely manner to inquiries relating to the legitimacy of transactions. While many importing countries do, it is of concern to the Board that some Governments have not replied to queries or have done so only with delays. It has been found that importing countries, especially those such as Guatemala and Mexico, where diversions are known to have occurred, need to reply more promptly to queries relating to the legitimacy of imports destined for their territories. The Board reiterates its appeal to all Governments to establish and institutionalize appropriate working mechanisms and operating procedures with their respective trade partners for making inquiries and for providing immediate feedback to each other in verifying the legitimacy of transactions.

135. The Board re-emphasizes its appeal to Governments of exporting countries to provide pre-export notifications on a routine basis prior to shipment, even when such notifications have not been formally requested by the importing countries under article 12 of the 1988 Convention. The Board is pleased to note that the Economic and Social Council, in its resolution 1995/20, made a similar request to Governments.

136. The Economic and Social Council, in its resolution 1995/20, requested the Government of an importing country, upon receipt of any form of pre-export notification from the exporting country, to verify the legitimacy of the transaction and, with the possible assistance of the Board, to convey information related to the case to the exporting country. The Council also urged Governments of exporting countries to conduct their own investigation in questionable cases and to seek information and views from the Board, international organizations and Governments as appropriate, inasmuch as additional facts establishing suspicion might be available to them. The Board continues to stand ready to assist Governments wishing to verify the legitimacy of such transactions. The Board also requests that it be informed of any difficulties experienced in this connection, and of cases where no feedback has been provided, so that it may contact the Governments concerned.

(b) *Special issues*

137. *Role of intermediaries in diversions and attempted diversions.* Uncovered diversions and diversion attempts have highlighted the role of intermediaries in such activities. Complex routing of shipments that involves a number of intermediaries in different countries makes it difficult for Governments to trace those shipments. The Economic and Social Council, in its resolution 1995/20, therefore urged Governments to exercise, as a matter of urgency, increased vigilance over the activities of brokers in view of the special role that some of them play in the diversion of precursors, and to subject them to licensing or other effective control measures as necessary. The Board, in consultation with the Pompidou Group, convened in May 1995 a meeting of experts to review the issue of intermediaries dealing with precursors, and with psychotropic substances, and to consider concrete measures to control effectively their operations. Specific major recommendations related to precursor control are reflected in the 1995 report of the Board on the implementation of article 12 of the 1988 Convention¹⁸ (see also paragraphs 145-152, below).

138. *Free ports and free trade zones at transshipment points.* Uncovered cases of diversion have, in many instances, involved transactions through free ports and free trade zones. Under the provisions of article 18 of the 1988 Convention, Governments are required to apply measures to the movement of precursors in free ports and free trade zones that are no less stringent than those applied in other parts of their territories. The Board notes with satisfaction that the authorities of Hong Kong and of the United Arab Emirates are taking specific measures to apply controls to relevant transactions through their territories, and it looks forward to being advised of further developments. The Board requests Governments of countries with similar trading environments to follow this example.

139. *Previously unknown routes of diversion.* In 1994 the Board drew attention to the fact that countries that had not previously been associated with attempts at diverting precursors were being targeted by traffickers, as controls applied in those countries did not allow the Governments to effectively monitor transactions through their territories.²¹ Countries such as Guatemala, through which attempts to divert ephedrine have continued, need to take further steps to prevent diversion. Countries in Africa and the newly independent States in central Asia, among others, may also be targeted as suitable points for diversion (see paragraphs 177, 322, 340). There have also been some cases uncovered where precursors imported into countries in Europe and then re-exported were subsequently diverted.

140. *Alerts to diversion attempts.* The above-mentioned facts point to a need for Governments, in particular Governments of exporting countries, to share information on diversion attempts, as soon as such attempts are identified, so that other Governments may be alerted. The Board notes with satisfaction that, in this regard, the European Union has in place a system for sharing such information among its member States. The Board invites the member States of the European Union to extend this sharing of information, as appropriate through the Board, to other Governments since, once identified, traffickers are likely to turn to sources outside the region to obtain the precursors that they require.

141. *Strengthening regulatory controls over international trade.* Authorities of exporting countries should examine their current controls over international trade, since, in order for export controls to be effective, it is also necessary to monitor imports, some of which may later be re-exported and end up in illicit channels.

142. *Strengthening regulatory controls over manufacture and domestic distribution.* The Board, in its recent reports, has focused on diversion from international trade, as such diversions cannot be identified and prevented by a single Government but require concerted action by all Governments.

The Board wishes, however, to re-emphasize the need for further regulation of manufacture and domestic distribution in a number of countries to prevent diversion of precursors, which are often subsequently smuggled into neighbouring countries where illicit drug manufacturing takes place. Despite major successes in precursor control activities in some countries in Asia and Latin America, a large proportion of the chemicals used in the illicit manufacture of cocaine and heroin are diverted from domestic distribution channels. The Board proposes to review, with the authorities of the countries concerned, the controls currently applied, in particular, to manufacture and domestic distribution.

143. *Assistance provided.* The Board is pleased to note that some regional bodies assist Governments in developing a legislative basis for precursor control and in establishing administrative infrastructure for its implementation. It has been noted, however, that some of these assistance programmes have not yet led to the expected results. For such assistance to succeed it is first required to assess carefully the specific needs of various competent authorities involved in the light of the actual situations of the countries concerned and to develop individually tailored assistance programmes in the context of the overall illicit drug and precursor trafficking situation. To that end, the Board urges all bodies involved in such efforts to coordinate closely their action through UNDCP and, when appropriate, to consult with the Board with regard to sharing any relevant information gathered by the Board as part of its monitoring of the implementation by Governments of article 12 of the 1988 Convention.

(c) *Concluding remarks*

144. Experience has shown that the efforts made by some Governments to prevent diversion are effective. The Board therefore reiterates its appeal to all Governments that have not already done so to take concrete steps, as a matter of urgency, to establish the necessary control mechanisms to fully implement the provisions of article 12 of the 1988 Convention. Only by such concerted international effort will it be possible to decrease the availability to traffickers of the precursors that they require for illicit drug manufacture. The Board has already provided, and will continue to provide, where appropriate, guidance and assistance to Governments in establishing such mechanisms and in ensuring their effective implementation.

D. Measures against the diversion of psychotropic substances and precursors through intermediaries

145. Intermediaries were involved in major cases of diversion and attempted diversion of psychotropic substances and precursors in 1994 and 1995. Traffickers have identified intermediaries as convenient conduits for diversion as they are able and sometimes willing to facilitate and otherwise promote the illicit traffic in psychotropic substances and precursors alongside their legitimate business interests.

146. The Board, in cooperation with the Pompidou Group, convened in May 1995 a meeting of a group of experts to review the control of intermediaries and transit operators dealing in precursors and psychotropic substances.

147. The experts concluded that the failure of certain countries to introduce control measures provided for in the international drug control treaties, as well as those recommended by the Economic and Social Council in its relevant resolutions, had been central to the problem of diversion of psychotropic substances and precursors involving intermediaries. That situation was further exacerbated by the fact that some countries complying with the requirements of the treaties and the Council

resolutions had inadvertently facilitated such diversion by regularly permitting psychotropic substances and precursors to be exported to countries with very poor import and/or export controls.

148. The expert group therefore made a number of recommendations covering not only the control of intermediaries' activities, but also the control of international trade in psychotropic substances and precursors in general.*

149. Regarding countries with deficient control regimes, the expert group recommended that exporting countries should exercise the utmost vigilance in processing import orders for substances controlled under the 1971 Convention and for those listed in Table I of the 1988 Convention in order to prevent uncontrolled re-exportation. Exports to free zones were also to be avoided in the absence of controls on such re-exportation.

150. It was further recommended that no exporting country should permit the shipment of psychotropic substances and substances listed in Table I of the 1988 Convention in excess of the annual legitimate domestic requirements, particularly the shipment of any such substances that are subject to frequent diversion.

151. The experts concluded that countries that had systematically applied the requisite control measures of the 1971 Convention and the 1988 Convention, as well as those recommended by the Economic and Social Council in its relevant resolutions, would not face problems involving diversion of controlled substances through intermediaries.*

152. The Board has examined and endorsed the findings of the expert group. The Board is currently reviewing the expert group's specific requests to the Board to provide further assistance to Governments and to engage in new activities in this field.

*Specific recommendations concerning the control of intermediaries engaged in trade in precursors are summarized in the report of the Board for 1995 on the implementation of article 12 of the 1988 Convention.¹⁸

III. ANALYSIS OF THE WORLD SITUATION

A. Africa

153. Since the last report of the Board was published, Guinea-Bissau has acceded to the 1961 Convention, Chad, Guinea-Bissau, Mali and Swaziland have acceded to the 1971 Convention and Algeria, Cape Verde, Chad, Guinea-Bissau, Lesotho, Mali and Swaziland have become parties to the 1988 Convention. In Africa, 40 States are parties to the 1961 Convention, 39 are parties to the 1971 Convention and 30 are parties to the 1988 Convention.

154. The Board urges the Governments of Angola, Central African Republic, Comoros, Congo, Djibouti, Equatorial Guinea, Eritrea, Gambia, Mozambique, Namibia, Sao Tome and Principe and United Republic of Tanzania, which are not parties to any of the three main international drug control treaties, to become members of the international drug control system by acceding to the treaties.

155. In 1995, the Board sent missions to Benin, the Gambia, Ghana and Togo (see paragraphs 183-186, below).

156. A training seminar for drug control administrators from countries in northern and western Africa was held by the Board at Tunis in March 1995. At the seminar, which was hosted by the Government of Tunisia, competent authorities reviewed the practical application of control measures, something that is often needed in African countries. Some diversions of controlled substances by using falsified import certificates have already been prevented as a direct result of the seminar. The seminar provided a good opportunity to gather information about methods used in the assessment of medical needs in African countries.

157. The Board appreciates the assistance provided by UNDCP to many African Governments in the development of adequate drug control legislation and in the creation of national coordinating bodies. The Board is aware that in many African States enormous problems have been created by political and social conflict; thus, there are severe economic and social situations that should be dealt with as a matter of priority. At the same time, however, the Board wishes to draw the attention of Governments to the links between the drug problem and criminality and corruption and to their negative effects on, for example, economic stability and public health. The Board urges Governments to speed up the process of the adoption of adequate drug control legislation and the establishment of operational national coordinating bodies.

158. The Board welcomes the adoption in Cape Verde, Gambia, Guinea, Mauritania, Mauritius and Zambia of new drug legislation that is based on the provisions of the international drug control treaties.

159. The Board appreciates the creation of interministerial drug control coordinating bodies in Angola, Congo, Gabon, Guinea, Uganda and United Republic of Tanzania.

160. The Board welcomes the initiatives taken to counter money-laundering in several African countries. In Egypt, Ghana, Mauritania and Zambia measures were adopted to implement article 3 of the 1988 Convention, enabling the investigation of money-laundering offences, and article 5, enabling the confiscation of assets derived from illicit drug trafficking. In Kenya, the Narcotic Drug and Psychotropic Substances Control Act of 1994, which provides for the implementation of provisions of the 1988 Convention, includes penal provisions for money-laundering offences and states the possibility to forfeit property and proceeds derived from drug trafficking.

161. Nigeria has concluded an agreement with the United Kingdom on cooperation and mutual legal assistance in criminal matters, with a view to combating money-laundering by seizing assets derived from drug trafficking. In addition, Nigeria has adopted a new law on money-laundering, but the lack of mandatory requirements for financial institutions to monitor transactions made by their customers and to report suspicious transactions unfortunately limit the likelihood of money-laundering activities being detected in that country.

162. In 1994, the National Drug Law Enforcement Agency (NDLEA) of Nigeria reported the arrest of eight major organizers of illicit drug trafficking activities. Their personal assets were confiscated and an investigation of their financial accounts was initiated. The Board appreciates the first steps undertaken by NDLEA against such major organizers of the illicit drug traffic, who had in the past managed to avoid conviction.

163. At the Seventh Meeting of Heads of National Drug Law Enforcement Agencies, Africa, held at Addis Ababa from 14 to 18 October 1994, a working group on consequences of and counter-measures to money-laundering concluded that, in order to combat money-laundering, it was necessary for States to have the proper legislation in place and that voluntary measures alone would not be enough.²² The Board urges African States to apply the provisions of the 1988 Convention to counter money-laundering activities.

164. Cannabis is illicitly cultivated in most countries in Africa. Large-scale illicit cannabis cultivation continues in the mountainous Rif area of Morocco. Large seizures of Nigerian cannabis arriving in Europe suggest that there is substantial illicit cannabis cultivation in that country. The eradication of cannabis plantations was reported in Egypt (7 million plants in 1994) and in the Sudan; in South Africa and Swaziland more than 6,000 tonnes of illicitly cultivated cannabis plants were eradicated, mainly by using aerial spraying techniques.

165. According to ICPO/Interpol reports, South Africa is a major supplier of cannabis; yearly illicit cannabis cultivation is estimated to be more than 175,000 tonnes (dry plant weight). Although most of the cannabis cultivated in the country is for domestic abuse, some of it has been smuggled into Europe.

166. According to reports of the World Customs Organization, of the total amount of cannabis resin seized in Europe, the share accounted for by Moroccan cannabis resin increased from 35 per cent in 1992 to over 44 per cent in 1993 and to 70 per cent in 1994. The traffic is organized by criminal gangs having connections with syndicates in western and southern Europe.

167. Western countries have reported the seizure of large consignments of cannabis resin arriving from West Asia through ports in eastern and western Africa. In 1994, 26 tonnes of cannabis resin of Pakistan origin, packed in three containers, were seized in Canada; the cannabis resin had been sent to that country through ports in eastern Africa, via Kenya, Mozambique, South Africa and Uganda. According to ICPO/Interpol, in 1995, 40 tonnes of West Asian cannabis resin were seized in Mozambique.

168. The Board urges African States to increase their efforts to counter the illicit cultivation of and illicit traffic in cannabis and to cooperate with western European States in the development of measures against the joint activities of African and European criminal trafficking organizations. The Board also urges Governments in western Europe to assist African States in their efforts and to take more concrete action against the persisting illicit demand for cannabis in their own countries.

169. A sharp increase in the abuse of cannabis was reported in several countries in western Africa in 1994. In those countries, cannabis is either smoked alone or mixed with cocaine or heroin.
170. Illicit opium poppy cultivation continues in Egypt; however, more than 10 million poppy plants were eradicated in 1994 in remote areas of the Sinai peninsula and along the Nile. Smaller-scale, sporadic opium poppy cultivation has been discovered in Chad, Côte d'Ivoire and Nigeria.
171. In 1994, there was an increase in heroin seizures in several African countries. Trafficking in heroin originating in Asia has spread from eastern to western Africa. African seaports and airports are frequently used as transit points for large shipments of heroin destined for Europe or North America. Nationals of countries in Africa (mainly western Africa) are frequently used as couriers to transport smaller heroin consignments. At the same time, there is also local abuse of heroin, as it has become readily available at low prices in many major cities in the region.
172. According to ICPO/Interpol, Africans are also increasingly being used as couriers for transporting cocaine from South America through northern and western Africa to Europe.
173. South Africa has expressed its concern over an increase in the availability and abuse of cocaine, particularly in its major cities. The quantity seized and the number of cocaine addicts asking for treatment have increased significantly in the last four years. The abuse of cocaine has been reported in several countries in western Africa, where the practice has spread to the lower social classes due to low cocaine prices. The abuse of crack has been reported in Ghana, Nigeria, Senegal and South Africa.
174. The Board notes with concern the abuse of psychotropic substances in the region. There is evidence that diversion of legally imported shipments and inadequate supervision of the pharmaceutical supply system play an important role in the propagation of such abuse. The Board appreciates the efforts of several Asian and European States to seek assurance of the legitimacy of orders and import authorizations. The Board recommends that States exporting psychotropic substances should follow the example of India and some European States by asking the authorities of importing States and/or the Board to confirm the authenticity of documents whenever doubts on the legitimacy of transactions exist. At the same time, the Board urges African States importing psychotropic substances to respond in a timely and proper manner to such inquiries.
175. The smuggling of methaqualone out of Bombay into eastern and southern Africa continues; according to ICPO/Interpol, it remains one of the most profitable illegal enterprises, even more profitable than heroin smuggling. The main target country for methaqualone is still South Africa, where the extent of the abuse of Mandrax (a product that combines methaqualone with an antihistamine) is the largest in the world. In South Africa, Mandrax is illegal and is not available even with a prescription, but seizures of methaqualone have been rising in that country in the 1990s.
176. There were attempts to establish clandestine laboratories for the illicit manufacture of methaqualone or other psychotropic substances in several countries in eastern and southern Africa, in particular Kenya, Mozambique, South Africa, Swaziland and Zambia. A complete laboratory for the manufacture of a hallucinogenic amphetamine derivative, concealed in containers destined for Kenya, was seized by the Belgian customs administration at Antwerp in 1994.
177. The illicit traffic in and abuse of synthetic stimulants (amphetamines and amphetamine-type compounds, such as pemoline) continue to create problems mainly in central and western Africa. Significant amounts of benzodiazepines and ephedrine from India and countries in Europe are frequently smuggled into Africa.

178. The abuse of benzodiazepines, above all diazepam and flunitrazepam, was reported in several African countries. One factor contributing to the problem is the fact that psychotropic pharmaceutical preparations can be obtained easily from legitimate distributors without a medical prescription and from "parallel markets".

179. The Board recommends that UNDCP and WHO should assist African States, upon request, in developing the structures necessary to ensure that their pharmaceutical infrastructure and its supervision are in conformity with international standards.

180. The consumption of khat (*Catha edulis*) is a controversial issue. The habit is considered by some Governments in Africa to be a problem, but measures against the trade in khat have been taken in only a limited number of countries. The extent of interregional trade in khat (mainly in the eastern part of the continent) is substantial and shipments of khat have been seized in countries on other continents where its trade and use are prohibited. A working group of the Eighth Meeting of Heads of National Drug Law Enforcement Agencies, Africa, held at Kampala from 23 to 27 October 1995, observed that the consumption of khat had created serious social and health problems in some eastern and central African States; it recommended, *inter alia*, that States in which khat plants grew should introduce vigorous measures to eradicate the growth of such plants.²³

181. There are few demand reduction programmes in Africa; in many countries in the region, the number of treatment facilities is limited. The Board appreciates the efforts of the Government of Nigeria to establish separate drug units in psychiatric hospitals and psychiatric departments of general hospitals. In several African countries, non-governmental organizations have taken steps to establish facilities for the care of drug addicts.

182. In the opinion of the Board, knowledge about drug abuse forms, trends and consequences in Africa is limited. The Board hopes that rapid assessment surveys to be carried out by WHO with UNDCP assistance will contribute to a clarification of the forms of abuse of some drug classes or individual drugs (for example pemoline). The Board is prepared to contribute to those surveys.

183. In April 1995, the Board sent a mission to the Gambia. The main objective of the mission was to promote the accession of that State to the international drug control treaties and to enhance its cooperation with the Board. The Board appreciates that, pursuant to its recommendation, a national drug control council has been established to elaborate a national drug policy. The mission also recommended the Government to allocate appropriate medical staff to the treatment of drug addicts.

184. Also in April 1995, a mission of the Board visited Ghana. The mission found that although the Government of Ghana was seriously committed to meeting its obligations under the international drug control treaties, it should pay more attention to the increased transit traffic in and abuse of cocaine, heroin and psychotropic substances.

185. In June 1995, the Board sent a mission to Benin. The main objective of the mission was to follow up the legal assistance on national drug control legislation provided to the country by UNDCP. The Board urges the Government to speed up the process of ratifying the 1988 Convention and the adoption of the new legislation. The Board recommends the reactivation of the commission responsible for the coordination of drug control matters. There is a need to conduct a drug training programme for judges, if necessary with the assistance of UNDCP. The Board recommends the strengthening of controls, in particular in the autonomous port of Cotonou, which is a potential entry point for illicit drugs.

186. Also in June 1995, a mission of the Board visited Togo to promote that State's compliance with the provisions of international drug control treaties. The Board urges the Government to adopt the comprehensive draft drug control legislation, if necessary with the further assistance of UNDCP. As in the case of Benin, the Board recommends the Government of Togo to revitalize the activities of the coordination commission on drug-related matters and to undertake national training programmes for customs officers, magistrates of the public prosecutor's office and judges. The Board urges the Government of Togo to find an efficient way to destroy the large amounts of seized drugs in that country. In the opinion of the Board, there is a need for a survey to be undertaken to improve the knowledge of the drug abuse situation in Togo.

B. America

1. Central America and the Caribbean

187. In Central America, with the exception of Belize and El Salvador, all States are parties to the 1961 Convention.

188. In Central America, only Belize, El Salvador and Honduras are not parties to the 1971 Convention. In the Caribbean, one half of the States are not parties to that Convention.

189. In Central America, with the exception of Belize, all States are parties to the 1988 Convention. In the Caribbean, Haiti and Saint Lucia acceded to the 1988 Convention in 1995; consequently, Cuba and Jamaica are the only States in that subregion that are not yet parties to that Convention.

190. Both Central America and the Caribbean are heavily affected by the large-scale transit traffic in illicit drugs. Drug traffickers exploit the legislative and administrative loopholes and the lack of coordination in and between a number of countries in those subregions.

191. Seizure data indicate that Central American countries are increasingly being used by international drug traffickers as transit points for transporting illicit drugs, particularly cocaine and heroin, between South and North America, mainly in areas along the Atlantic coast. Large seizures of cannabis and cocaine are signs that, because of their strategic location, Caribbean countries are increasingly being exploited by illicit traffickers as transit points.

192. Drug-related violence is on the increase in the Caribbean, as evidenced by recent events in Saint Kitts and Nevis, where a series of murders have been linked to the illicit drug trade. The Board notes with concern that drug traffickers are gaining a strong foothold in the Caribbean and that they could pose a real threat to political stability in the subregion.

193. Successful interdiction action in the Bahamas and the Turks and Caicos Islands, and also in the United States (southern Florida), has led traffickers to shift the focus of their illegal activities to the eastern Caribbean, where controls are seen as less stringent. Puerto Rico and the United States Virgin Islands have become the preferred points of entry into the illicit drug markets in North America. Aruba, the British Virgin Islands, Martinique and Netherlands Antilles are used as gateways to the illicit drug markets in France, the Netherlands and the United Kingdom.

194. The Board hopes that the return of democracy to Haiti and important changes in the administration of a number of Caribbean States and territories will give new impetus for improved drug control.

195. The Board wishes to draw the attention of Governments in Central America and the Caribbean to the importance of there being a continued commitment to define comprehensive drug control policies and to establish the legislative basis and administrative structures that are necessary for the implementation of those policies. The Board appreciates the assistance of UNDCP and encourages States in the region to make use of the possibilities offered by UNDCP.

196. The Board welcomes the initiatives of some Governments aimed at organizing and strengthening regional cooperation. It appreciates the creation of a regional legal centre, with the assistance of UNDCP, in Costa Rica for the improvement of drug control legislation in countries in Central America, and the financial support from the Government of Honduras for the operation of the permanent Central American commission for the eradication of drug abuse, production and illicit trafficking.

197. The Board hopes that the Central American integration system and the recently established association of Caribbean States will be able to deal with those aspects of the drug problem that fall within their purview.

198. The weak banking and financial structures of most countries in Central America make them prime targets for money-laundering activities, a situation that may be substantially aggravated by the existence of significant informal economic sectors that are well beyond governmental control. It is of the utmost importance for all countries in Central America to introduce legislation and to establish the institutional structures required to combat money-laundering effectively, as is being done in Panama. The Board hopes that the operation of the Caribbean Financial Action Task Force will reduce the attractiveness of the Caribbean to persons who engage in money-laundering. The Board appreciates the steps undertaken by the Government of Trinidad and Tobago against money-laundering. Since 1992, local commercial banks have voluntarily reported large deposits of money to the office of strategic services, a unit of the police services. The office has recently published guidelines for the financial sector on money-laundering countermeasures.

199. The Board welcomes the introduction of administrative measures in Costa Rica to ensure that at least part of the confiscated assets of illicit origin are used to fund the operations of its national drug council.

200. More stringent money-laundering legislation is being drafted in the Bahamas and is expected to enter into force in the near future. Although Jamaica is not yet a party to the 1988 Convention, the forfeiture of assets act entered into force in 1994 and the Government has continued to elaborate draft legislation to prevent money-laundering.

201. Cannabis is illicitly cultivated in most countries in Central America and the Caribbean for local illicit consumption. Cannabis remains the most commonly abused drug in the region. Jamaica continues to be a major producer and supplier of cannabis for Europe and North America.

202. The Board notes continuous reports on the cultivation of opium poppy in remote areas of Guatemala.

203. Small coca bush cultivation sites have reportedly been detected in southern Panama.

204. Increasing cocaine abuse has been reported in several countries in the region.

205. Pharmaceutical preparations containing psychotropic substances are not prescribed, dispensed and distributed in conformity with the provisions of the 1971 Convention in most countries in the

region. The Board urges all States that have not already done so to introduce and implement regulatory measures and controls that are necessary to prevent the abuse of stimulants and sedatives. The Board invites Governments to harmonize and coordinate action taken against the diversion and smuggling of such pharmaceutical preparations.

206. The Board highly appreciates the efforts of CICAD and the Pan American Health Organization aimed at improving knowledge of the drug abuse situation in the region. The growing availability of drugs of abuse, mainly cannabis and cocaine, because of the increasing use of Central America and the Caribbean as transit points by international drug traffickers, and the marginalization of large segments of the population, mainly in the metropolitan areas of some countries, might contribute to a large-scale spread of drug abuse. The Board encourages Governments of countries in Central America and the Caribbean, as a matter of high priority, to participate actively in more initiatives aimed at preventing and reducing drug abuse. Although it highly appreciates the activity of non-governmental organizations in the treatment and rehabilitation of addicts, the Board considers it to be its duty to remind Governments of their responsibilities in that area.

207. Large quantities of ephedrine from Asia and Europe were channelled through Guatemala to Mexico and the United States for the illicit manufacture of methamphetamine. A short mission to Guatemala in March 1995 dealt with legislative and organizational problems. The Board is confident that Guatemala and other States in the region will exercise the necessary vigilance with regard to orders of large quantities of ephedrine and similar substances not destined for the licit manufacture of pharmaceuticals within the country and that those States are intervening in a timely fashion (see paragraphs 129-131, above); however, no seizures of any precursors have been reported in the region.

2. North America

208. All three countries in North America – Canada, Mexico and the United States – are parties to the 1961 Convention, the 1971 Convention and the 1988 Convention.

209. In 1995, the Board sent a mission to Canada (see paragraphs 225-226, below).

210. The main goal of the United States drug control strategy of 1995 in particular and drug policy in general is to reduce the number of drug abusers in the United States. The strategy is linked to efforts to empower communities, curb youth violence and preserve families. The United States drug policy is, therefore, considered by the Government to be a cornerstone of domestic policy in general and of social policy in particular. Other key principles of this strategy include coordinated law enforcement efforts, prevention programmes targeting youth and other high-risk groups such as inner city youth, pregnant women and women of child-bearing age. The strategy also targets chronic hard-core addicts to reduce their drug abuse and its consequences. Needle exchange schemes constitute a new element of the programmes. Sharing of needles among drug abusers is a primary transmission route of the human immunodeficiency virus (HIV); in 1993, 69 per cent of reported acquired immunodeficiency virus (AIDS) cases among women were attributed to injecting of illicit drugs. It is expected that through needle exchange programmes the frequency of needle-sharing and the increase in the incidence of HIV infection among drug abusers might be reduced. The Board welcomes the United States Government's unequivocal policy position against any form of legalization of the non-medical use of drugs.

211. There has been a liberalization of trade between Mexico and the United States in recent months following the coming into force of the North American Free Trade Agreement (NAFTA), and consequent measures to facilitate that trade. There is some concern that that development may adversely affect the interdiction of cocaine coming across the Mexican border into the United States. The Board,

therefore, welcomes the new initiative of the Office of National Drug Control Policy (of the Executive Office of the President) aimed at identifying and terminating drug smuggling operations on the south-west border of the United States.

212. The Board notes with satisfaction that Mexico has continued its multifaceted campaign against illicit cultivation, production, manufacture and trafficking and abuse of drugs in line with the 1988 Convention. Mexico has a well-organized institutional drug control structure and has allocated significant resources to demand reduction and control measures.

213. The Board welcomes the action of the Government of Mexico aimed at eliminating corruption of officials and strengthening legal controls to prevent money-laundering, which remains a serious problem in that country. The Board hopes that the recently introduced stiffer penalties and other measures will improve the possibilities for the prevention and prosecution of money-laundering activities. The Board notes with concern that the considerable volume of financial flows between Canada and the United States has contributed to the attractiveness of Canada for persons who engage in money-laundering.

214. Exploitation of the growing number of casinos by persons engaged in money-laundering activities has continued in the United States. The authorities of the United States have recently discovered new methods to carry out such activities, including the use of swaps (international currency transactions).

215. Illicit cannabis cultivation continues in all three countries, despite some successful eradication campaigns. Increasing indoor cannabis cultivation has been reported in the United States. This form of cultivation permits year-round production and can be accomplished in a variety of settings, ranging from several plants grown in a closet to thousands of plants grown in elaborate, especially constructed (sometimes underground) greenhouse operations. Indoor cultivators try to enhance the potency of cannabis through selective breeding and cloning of high-potency cultivars. Indoor cultivation is also used for the selection and isolation of female plants for sinsemilla production. In 1994, the average tetrahydrocannabinol (THC) content of outdoor cultivated cannabis was 4.3 per cent, a substantial increase compared with the late 1970s and early 1980s, when that average was under 2 per cent. The average THC content of sinsemilla cannabis was about 7.4 per cent in 1994 but some of the seized samples had a THC content of more than 24 per cent.

216. Despite the increasing amounts of cannabis seized by Mexican law enforcement authorities, Mexico remains a supplier of the illicit cannabis markets in the United States. Substantial quantities of cannabis are also smuggled into the United States out of other countries, particularly Colombia, Thailand and, increasingly, Jamaica. At the same time, the market share of locally produced cannabis is on the increase in Canada and the United States (30 and 25 per cent, respectively). A sharp increase in cannabis resin seizures was reported in the United States (more than 72 tonnes in 1994, compared with 11.4 tonnes in 1993).

217. Cannabis remains the most abused illicit drug in the region. During the last three years, following a continuous decrease from 1985 to 1992, an increase in cannabis abuse among youth has been observed in the United States. This trend is attributed to a decline in the level of perceived risk of abuse, while the actual risk has been increased by the higher potency of the drug. Widespread abuse of "blunts" (smoking of cigars in which tobacco was replaced by cannabis) has been recently reported in the United States. In some cases the same cigars are filled with a mixture of cannabis and either phencyclidine (PCP) or cocaine.

218. Opium poppy is cultivated illicitly in Mexico. The opium produced is used for the illicit manufacture of heroin, which is usually smuggled into the United States. The proportion of heroin of Mexican origin on the illicit market in the United States is relatively small (estimated to be about 5 per cent), compared with the proportion of heroin arriving from south-east Asia and South America (57 and 32 per cent, respectively).

219. Growing heroin abuse has been reported in Canada, particularly in urban areas. Heroin abuse is also on the increase in the United States, where injecting remains the principal route of administration (used by an estimated 62 per cent of heroin abusers). The 63,000 heroin-related emergency room admissions in 1993 represents an increase of 22 per cent compared with the figure for 1992 and an increase of 50 per cent compared with the 1989 figure. The relatively high purity of heroin at the retail level (an average of 40 per cent) might be a contributing factor. In order to enhance the euphoric effect of cocaine and to relieve the depression following the cessation of cocaine administration, a growing number of hard-core cocaine (particularly crack) abusers in the United States have also become abusers of heroin.

220. In the United States, because of the large illicit supply of cocaine from South America (more than 100 tonnes were seized in 1994), that drug is freely available in most major cities. There was a spectacular decrease in the number of occasional cocaine abusers from 1985 (an estimated 12 million) to 1993 (about 4 million). In 1994, however, increasing cocaine abuse and a growing number of cocaine-related emergency room admissions were reported. In Canada, cocaine abuse has been declining. In Mexico, where the extent of drug abuse in general and cocaine abuse in particular is not comparable with the situation in the United States, some increase in cases involving cocaine abuse has been observed in the proximity of the northern borders of the country.

221. In the United States, clandestine manufacture of, illicit traffic in and abuse of methamphetamine are on the increase and constitute significant problems. In Mexico and the United States, there is a direct link between clandestine methamphetamine manufacture and diversion of ephedrine, its most important precursor, from licit sources. Ephedrine is available from two sources: diversion (or smuggling into the country) of pharmaceutical preparations containing ephedrine from which ephedrine can be easily extracted; and diversion of ephedrine into the United States from (or via) countries where the provisions of the 1988 Convention for monitoring ephedrine shipments are not properly implemented. The Board recommends the Government of the United States to consider the restriction of the availability of ephedrine tablets without medical prescription. In order to prevent the availability of ephedrine for the illicit manufacture of methamphetamine, the relevant legislation was strengthened in the United States by the domestic chemical control act of 1993, which entered into force in 1994. The Board welcomes the decision on the application of similar control measures against the diversion of pseudoephedrine tablets, which are being increasingly used by clandestine manufacturers instead of ephedrine. Direct communication between the Board and the competent authorities of the United States and other countries led to the detection and seizure of important quantities of ephedrine, including the seizure of 6,668 kg in Mexico, in 1994 (see paragraph 207, above). Ephedrine is also used as a precursor for the clandestine manufacture of methcathinone. In 1994, 20 such laboratories were seized in the United States. Nasal inhalation is the most common form of methcathinone abuse in the United States, but there are also other routes for its administration (injection, oral ingestion and smoking (laced in cannabis)). (For the abuse of methcathinone in member States of the Commonwealth of Independent States (CIS), where it is known as ephedrone, see paragraphs 370-372, below.)

222. Problems connected with the sharp increase in the volume of the licit manufacture and use of methylphenidate resulting from the large-scale prescribing of that drug to children for the treatment of attention deficit disorder in the United States are described in paragraphs 90-94, above.

223. Illicit traffic in and abuse of hallucinogens are on the increase in the United States. Lysergic acid diethylamide (LSD) is sold mostly in small tablets ("microdots") or in the form of small paper squares ("stamps") that have been soaked with a solution containing that substance. Crystalline LSD, manufactured in clandestine laboratories in the United States, is very often smuggled out of that country, mainly into Europe. The Board urges the Government of the United States to pay special attention to the detection and interception of clandestine LSD laboratories, which are the major suppliers of illicit drug markets in Europe. The number of seized PCP laboratories is again on the increase, but the level of the abuse of that drug is not comparable with the epidemic levels reached in the 1960s and 1970s. Propagation of the abuse of hallucinogens is linked with all-night dance ("rave") parties. In the United States, as in Europe, MDMA and some other hallucinogenic amphetamine derivatives are the most popular drugs used during such parties. MDMA is synthesized in clandestine laboratories in the United States and large amounts of it are smuggled into that country, mainly out of or through Mexico.

224. The spreading abuse of flunitrazepam has been recently reported in the United States. Significant quantities of flunitrazepam tablets have been smuggled into the country.

225. A mission of the Board visited Canada in March 1995. The Board appreciates the very comprehensive demand reduction strategy of the Government of Canada that has been conducted since 1987. The strategy has focused on the prevention and reduction of alcohol abuse. The Board notes that, according to a review in 1992, the strategy has led also to positive results regarding the abuse of narcotic drugs and psychotropic substances. The Board encourages the Government to share the results of current and future reviews with interested governments and the Board. The Board hopes that the combining of demand reduction methods with efforts in supply reduction will continue in Canada and lead to the expected results.

226. The Board is confident that the Government of Canada will speed up the adoption and implementation of the new legislation (bill C 7) because current laws are not in conformity with the requirements of the 1971 Convention, which was ratified by Canada in 1987. Full application of provisions regarding substances in Schedules III and IV of the 1971 Convention and the related Economic and Social Council resolutions is foreseen by the draft legislation adopted by the Parliament on 30 October 1995 and currently under consideration by the Senate.

3. *South America*

227. In 1995, Uruguay ratified the 1988 Convention. With the exception of Guyana, which is not a party to the 1961 Convention, all States in South America are parties to the three main international drug control treaties. The Board urges the Government of Guyana to accede to the 1961 Convention as soon as possible, especially considering the strategic location of the country.

228. In 1995, at the request of the Government of Colombia, the Board sent a mission to that country (see paragraphs 242-246, below). Also in 1995, a joint mission of the Board and UNDCP visited Brazil (see paragraph 247-249, below).

229. The Board appreciates the efforts made by CICAD to fill the gap left by the dissolution of the South American Agreement on Narcotic Drugs and Psychotropic Substances (ASEP) and hopes that the necessary priority will be given to coordination and the exchange of information at the regional level. The Board also appreciates UNDCP initiatives aimed at promoting comprehensive subregional strategies and programmes, which started in Argentina, Bolivia, Chile and Peru in 1994,²⁴ and it hopes that those efforts will contribute to the improvement of subregional cooperation.

230. The Board is confident that the declaration of principles and the plan of action adopted by the summit of the Americas, held at Miami, United States, in December 1994, which have already led to several joint activities, will translate into a comprehensive continental policy.

231. Bolivia undertook in 1994 a complete ministerial restructuring, which should be followed up by an updating of its national drug control plan of 1993. The Board notes with satisfaction that in Peru, where a national drug control plan was adopted in 1994, the Government has already passed legislation on the creation of a national system for drug abuse prevention and control to facilitate the execution of that plan.

232. The Board urges all Governments in South America to consider the fight against money-laundering a matter of the highest priority, so that the large flow of capital stemming from illicit drug production, manufacture and trafficking will not have a long-lasting negative economic, social and political impact. Several countries in South America, however, still need to lay down the legal foundations for combating money-laundering in all its complexity, including the adoption of legal provisions for freezing capital and seizing assets of illicit origin, the establishment of the institutions required to monitor financial markets closely and the introduction of administrative measures to enable such institutions to detect suspicious transactions promptly. The Board takes note with appreciation of the legislative measures adopted by the Governments of Chile (in 1994) and Colombia (in 1995) to make money-laundering a criminal offence.

233. Cannabis continues to be cultivated in South America, mostly in Brazil and Colombia. Large amounts of cannabis are smuggled out of Colombia, as evidenced by substantial cannabis seizures in Europe and North America. In other South American countries, cannabis is grown mainly for local consumption; in most countries in the region, cannabis remains the main drug of abuse.

234. Repeated seizures of high-purity heroin of Colombian origin in some countries in Europe and North America seems to indicate that illicit poppy cultivation, opium production and heroin and/or morphine manufacture have continued in that country, using primarily the trafficking networks of the illicit cocaine trade. Even though no illicit poppy cultivation was reported in other countries in South America in 1995, Governments in the region should continue to be on the watch for possible expansion and subsequent damaging effects of such cultivation in a region with no tradition of opium production or heroin and/or morphine manufacture, where the spread of such activity would further complicate illicit drug trafficking and abuse patterns.

235. Coca bush cultivation and coca leaf production patterns remained unchanged throughout 1995. The largest coca leaf producer in the world continues to be Peru, followed by Bolivia. The Board notes with appreciation the renewed efforts made by the Bolivian and particularly the Colombian Governments to step up eradication programmes, even in the face of strongly organized and highly publicized local opposition.

236. The Board has repeatedly drawn the attention of the Commission on Narcotic Drugs to the fact that the opinions and practices of the Governments of Argentina, Bolivia and Peru in respect of licit and illicit coca bush cultivation and coca leaf production and consumption are not in conformity with the provisions of the 1961 Convention.²⁵ In 1994, the Bolivian Government officially requested WHO to carry out scientific studies to determine the nature and properties of coca leaves. The Board recommends that WHO should not limit its study to the clarification of the alleged medicinal value of coca leaves but should clearly define its opinion in respect of the abuse potential of coca leaves and the public health consequences of the different forms of coca leaf consumption.

237. Coca paste continues to be produced mostly in Bolivia and Peru. It is smuggled out of those countries into Colombia for final processing into cocaine hydrochloride. Cocaine hydrochloride is also increasingly being manufactured in Bolivia and Peru, though on a smaller scale.

238. Coca paste is easily available in producer countries such as Bolivia, Colombia and Peru, where it is usually smoked mixed with tobacco. The abuse of coca paste continues to pose serious social and health problems in those countries. In transit countries, where traffickers usually pay their partners in kind, cocaine hydrochloride is increasingly becoming available at relatively low prices; consequently, cocaine abuse has become a growing social burden. The incidence of abuse of opiates in South America continues to be relatively low, but increased availability from producing areas within the region could substantially change the situation for the worse.

239. The increasing abuse of psychotropic substances, particularly anxiolytics (minor tranquilizers) and amphetamine-type drugs, has been reported mainly in the urban areas of some countries in South America. In the opinion of the Board, the dispensing and distribution of pharmaceutical preparations containing psychotropic substances without medical prescription or through non-rational prescribing practices are major factors contributing to the propagation of their abuse. The Board appreciates the fact that, in Brazil, anti-obesity medicaments containing anorectic amphetamine-like substances in combination with sedatives were withdrawn from the market in 1994;²⁶ however, the large-scale prescribing and utilization of amphetamine-type compounds continue, mainly in Argentina, Brazil and Chile, and are in contrast with medical practices in most countries in the world.

240. The prevention of the activities of clandestine laboratories and the detection of such laboratories are often hindered by the unregulated and uncontrolled flow of chemicals and solvents needed for the illicit manufacture of coca paste and cocaine hydrochloride. The chemicals and solvents usually arrive in South America from Europe and the United States. Some of the chemicals and solvents enter the region illegally, but most of them are legally imported by legitimate enterprises or "front" companies and are diverted into illicit channels. Most countries in the region lack the institutional structures and financial and technical resources to effectively control goods trafficked by road, particularly in the Amazon basin, where most of the international boundaries dividing Bolivia, Brazil, Colombia, Peru and Venezuela lie. Those remote, uncontrolled areas are used by drug traffickers to supply their coca paste laboratories in Bolivia and Peru and their cocaine-processing laboratories in Colombia with the required chemicals and solvents.

241. Until all countries in South America are capable of defining and implementing, within adequate legal frameworks, consistent and comprehensive policies that are carried out by efficient governmental agencies, chemicals and solvents will continue to enter the region and will have, in the long term, a negative effect on the results of even the most effective law enforcement efforts.

242. A mission of the Board visited Colombia from 28 August to 1 September 1995. The Board notes with satisfaction the successful eradication and interdiction efforts in Colombia, which led to the destruction of a great number of illicit coca bush and opium poppy cultivation sites and to the seizure of several clandestine laboratories and substantial amounts of illicit drugs.

243. The Board highly appreciates the successful action undertaken in Colombia against powerful drug cartels, which constitute a constant menace to the economic and political stability of the country. The Medellín cartel was dismantled in 1993 and the leaders of the Cali cartel have recently been arrested. The Board expects that the arrests will be followed by the urgent completion of the judicial process against those criminals and by their severe punishment.

244. The Board welcomes the adoption of a national plan on drug control by the National Narcotics Council of Colombia and the support given to it by the highest authorities of the country. The plan contains measures for the eradication of illicit crops and for other law enforcement action, provisions against money-laundering, and projects for alternative development, prevention and rehabilitation. The Board will continue to watch closely the implementation of that plan.

245. Colombia acceded to the 1988 Convention in 1994, but the Board regrets the significant reservations contained in the instrument of ratification. At the same time, the Board notes with satisfaction the progress made in the country in respect of the implementation of some provisions of the 1988 Convention, particularly the strengthening of controls over chemicals and solvents used in the illicit manufacture of cocaine, in conformity with CICAD model legislation. The Board notes with appreciation that pursuant to its request the same controls were extended to other substances under the control regime of the 1988 Convention, particularly to ephedrine and pseudoephedrine.

246. The Board trusts that political difficulties will not reduce the strong commitment of Colombia to conduct the fight against drug trafficking organizations and illicit cultivation, production and manufacture of drugs. Drug trafficking organizations are increasingly losing the support of the population, and the Board is convinced that the majority of Colombian society will support the authorities in the fight against drug trafficking.

247. Brazil had not been controlling adequately the manufacture and distribution of narcotic drugs and psychotropic substances.²⁷ In August 1995, a joint mission of the Board and UNDCP visited Brazil in order to assist the competent national authorities in the development of new drug control legislation. The new draft law is to create a sound legal basis for the control of licit drugs and for the fight against illicit drugs. The Board notes with satisfaction that the Government has already decided to present the new draft legislation prepared in cooperation with the mission to the Parliament and recommends the Government to consider its adoption an issue of high priority.

248. The Board notes with concern that existing legislation does not ensure the prevention of money-laundering activities and the prosecution of persons engaged in such activities. The Board urges the Government of Brazil to undertake, as soon as possible, the development, adoption and implementation of adequate legislation because the country's situation makes it attractive to persons who engage in money-laundering.

249. The Board is aware of the enormous difficulties encountered in controlling the movement of illicit goods in the Amazon basin (see paragraph 240, above). It encourages the Government of Brazil to initiate national and regional action to improve that situation, if necessary in cooperation with UNDCP.

C. Asia

1. East and South-East Asia

250. Of the 15 States in East and South-East Asia, 12 are parties to the 1961 Convention, 9 are parties to the 1971 Convention and 5 are parties to the 1988 Convention. Cambodia, the Democratic People's Republic of Korea and Viet Nam are not yet parties to any of the international drug control treaties.

251. In 1995, the Board sent a mission to Singapore (see paragraphs 268-272, below).

252. In May 1995, a protocol to the 1993 memorandum of understanding between the Governments of China, the Lao People's Democratic Republic, Myanmar and Thailand and UNDCP was signed at a ministerial meeting at Beijing. The protocol extended the scope of the memorandum of understanding to include Cambodia and Viet Nam. The Board highly appreciates the increasing cooperation between countries in the region. The Board welcomes the conclusion of an agreement on mutual cooperation in drug control between the competent authorities of Myanmar and Viet Nam. The Board is, however, concerned about the delay in the adoption of adequate drug control legislation in Viet Nam and encourages the Government of that country, which is receiving increased international assistance, to ratify the international drug control treaties and to cooperate with the Board by providing the necessary information on drug control issues.

253. In Cambodia, new drug legislation has been drafted with UNDCP assistance; it is being considered by the Government for adoption.

254. The Board regrets that its training seminar for drug control administrators of southern and eastern Asia could not take place in Malaysia, but the Board plans to hold such a seminar in early 1996.

255. Money-laundering is considered a major problem by several Governments in the region. In China, many financial transactions are conducted through informal channels without the involvement of financial institutions. This informal banking system offers plenty of opportunities for money-laundering and makes it difficult for the Government to introduce countermeasures. Investment opportunities in China are also exploited by persons engaged in money-laundering. The Board appreciates that the authorities of Hong Kong and Singapore, two major financial centres in the region, are improving the controls over financial institutions and are implementing recommendations on the prevention of money-laundering formulated by the Financial Action Task Force.

256. The Board welcomes the increased attention being given by Governments to demand reduction programmes. In Viet Nam, the national drug control programmes include the treatment, rehabilitation and social reintegration of drug abusers. In Thailand, the drug abuse prevention plan for the period 1992-1996 is focused on the extension of knowledge and understanding of drug abuse and its prevention and on the development of a social environment conducive to drug-free lifestyles.

257. The Board appreciates the action taken by the Government of Japan in the field of drug demand reduction, the conducting of preventive educational programmes and the treatment and rehabilitation of addicts. It is hoped that the policy of the Government of Japan, which combines law enforcement efforts with a demand reduction strategy, will prevent the development of a situation characterized by large-scale drug abuse, as has happened in other developed countries.

258. In some villages in the Lao People's Democratic Republic, programmes for the prevention of drug abuse and the detoxification and rehabilitation of drug abusers have been established with UNDCP assistance. In the Philippines, almost 3,000 people are treated in 29 treatment and rehabilitation centres. There are compulsory treatment and rehabilitation programmes for addicts in China, Singapore and Viet Nam.

259. Cannabis grows wild and is extensively cultivated in many countries in south-east Asia. In Thailand, cannabis cultivation is spreading from the northern and north-eastern provinces to other parts of the country. According to the Government of Thailand, about 900 tonnes of cannabis are illicitly produced in the country each year. In Indonesia, 50 tonnes of cannabis were seized and 37 hectares of illicitly cultivated cannabis were destroyed in July 1994. According to the Government of the Philippines, the country has become a producer of very potent cannabis, which is illicitly exported to

Australia and Japan. In December 1994, a shipment of 1 tonne of cannabis was seized in Hong Kong. The illicit export of cannabis from south-east Asia to Australia, Japan, the United States and other countries is substantial. At the same time, cannabis of Nigerian origin is also frequently seized in Hong Kong and Japan.

260. Cannabis is the main drug of abuse in Indonesia and the Philippines, but its abuse has also been reported in most countries in south-east Asia.

261. Illicit poppy cultivation and opium production continue in south-east Asia. The largest producer of opium remains Myanmar; in that country, illicit poppy cultivation and opium production take place mainly in Shan State. Largely because of the activity of insurgent groups in such cultivation areas along the borders of Myanmar, no reliable information is available on the extent of illicit poppy cultivation and opium production. The Board hopes that the improvement of the political situation in those areas of Myanmar will allow the undertaking of alternative development projects. Illicit poppy cultivation has been reduced considerably in the Lao People's Democratic Republic and Viet Nam as a consequence of development projects and eradication programmes. There are reports of some illicit poppy cultivation and opium production in Cambodia and in China, mainly in remote areas of Yunnan Province.

262. Opium smoking still persists as a tradition in some countries in south-east Asia, but a falling trend has emerged. This is the case among hill-tribes in the northern part of the Lao People's Democratic Republic and in Viet Nam. At Ho Chi Minh City and in other urban centres in Viet Nam, the practice of injecting "blackwater" opium (i.e. raw morphine extracted from opium smoking residue), often mixed with other drugs (pethidine or diazepam), is becoming a problem.

263. Heroin manufacture has reportedly increased in Myanmar. Clandestine laboratories are located in the opium production areas in Myanmar, mainly in Shan State, along the border where acetic anhydride illicitly enters the country from neighbouring countries. The operation of small heroin laboratories has been reported in northern border areas in Thailand. South-east Asia is a major supplier of illicit heroin markets throughout the world but substantial quantities are consumed locally. There are many trafficking routes leading from Cambodia, Hong Kong and Thailand to Australia, the United States and countries in Europe. In some cases countries in western Africa are used as transit points. There are signs that China, above all Yunnan Province and Guangzhou, is increasingly being used as a transit point for trafficking heroin. In the past three years, Chinese authorities have seized between 4 and 4.5 tonnes of heroin annually.

264. Rapid growth of heroin addiction has been observed in south-east Asia. The shift from opium abuse to heroin abuse continues among hill-tribes in the mountainous areas of south-east Asia, but heroin abuse has also been reported in some urban centres in, for example, Myanmar, where it was almost non-existent two years ago.

265. Phensedyl (a cough medicine containing codeine and, in some cases, ephedrine) is abused in south-east Asia and in South Asia (see paragraphs 284, below). Seizures of that product are frequently reported in Myanmar and the Philippines.

266. Among psychotropic substances, methamphetamine (commonly called "ice" or "shabu") represents a major drug problem. Illicit methamphetamine manufacture, trafficking and abuse constitute a major concern of countries in the region, particularly in east Asia. The illicit manufacture of methamphetamine in mainland China, China (Taiwan Province), the Philippines and Thailand, the illicit methamphetamine traffic in Hong Kong, Japan and the Republic of Korea, and methamphetamine abuse in Japan, the Philippines, the Republic of Korea and Thailand are connected with the activities

of criminal organizations in east Asia. Increasing amounts of ephedrine, the most important precursor for methamphetamine manufacture, are reportedly being seized in mainland China, as well in Taiwan Province of China. More than 1 tonne of methamphetamine was seized in China during the 1990s and other important seizures of methamphetamine have been reported by China (Taiwan Province), Hong Kong, Japan, Philippines and Republic of Korea. Substantial amounts of methamphetamine are smuggled out of east Asia into the United States, where abuse of that substance seems to be increasing. Action to prevent the illicit manufacture of and the illicit traffic in methamphetamine and ephedrine is described in paragraphs 127-143, above.

267. The extent of the illicit traffic in and abuse of other psychotropic substances is not comparable to that of methamphetamine, but growing abuse of benzodiazepines has been reported in some countries in the region. Weaknesses in the control of the pharmaceutical supply system, as evidenced by, for example, over-the-counter dispensing of prescription pharmaceutical preparations, contribute to the spread of their abuse. The Board recommends that the Governments of Cambodia, the Lao People's Democratic Republic, Myanmar and Viet Nam should develop adequate pharmaceutical supply systems, ensuring proper supervision of the distribution of pharmaceuticals and restriction of the sale of medicines on "parallel markets". In addition, the Board recommends that WHO and other international organizations should assist those Governments in their efforts.

268. A mission of the Board visited Singapore in September 1995. Singapore had been used to divert large quantities of cough mixtures containing codeine and some consignments of psychotropic substances from licit trade into illicit channels. The Board appreciates the determination of the Government of Singapore to stop diversion and to cooperate with other countries and the Board to that end.

269. The Board notes with concern the absence in Singapore of control measures for international trade in narcotic drugs and psychotropic substances in free ports and zones. The Board requests the Government of Singapore to adopt and implement such control measures as soon as possible, pursuant to the provisions of the 1961 Convention and the 1971 Convention.

270. The Board appreciates the steps taken by the Government of Singapore to implement the provisions of the 1988 Convention. The Board trusts that Singapore will soon accede to that Convention. Several provisions of the 1988 Convention are especially important to Singapore, which is being used as a major transshipment point. The Board invites the Government to participate in regional meetings on the control of precursors.

271. Singapore has introduced measures against money-laundering (see also paragraph 255, above) that have already led to the seizure and confiscation of assets derived from illicit drug trafficking. The Board welcomes the information received from Singapore on the total value of seized and confiscated assets. The Board invites other countries to follow the example of Singapore.

272. The Board notes that the drug abuse situation in Singapore has remained stable for the last 20 years.

2. South Asia

273. Of the six States in South Asia, four are parties to the 1961 Convention and three are parties to the 1971 Convention. All of the States in the region except Maldives are parties to the 1988 Convention.

274. The Board appreciates the increasing cooperation between members of the South Asian Association for Regional Co-operation (SAARC). The SAARC Convention on Narcotic Drugs and Psychotropic Substances, aimed at ensuring the proper implementation of the provisions of the 1988 Convention, has been ratified by all States in the region.

275. Bangladesh, India, Nepal and Sri Lanka are updating their national laws, bringing them into conformity with treaty obligations. The Board is confident that the ongoing amendment of national laws, assisted by UNDCP, will create a sound legal basis for the control of suspicious financial transactions.

276. The Board welcomes the increasing cooperation between the law enforcement authorities of India and Pakistan, as well as the increase in the number of bilateral drug control agreements between States in South Asia and States in other parts of the world.

277. In Bangladesh, it is expected that the national coastguard, established in 1995, will, once it has been provided with adequate personnel, training and equipment, play a crucial role in reducing illicit drug supply.

278. Cannabis grows wild and is also widely cultivated in South Asia. In Sri Lanka, 300 tonnes of illicitly cultivated cannabis plants were destroyed in a jungle area in 1994. Cannabis eradication campaigns are launched every year in India, Nepal and Sri Lanka. In the northern part of Bangladesh, where cannabis was not prohibited until 1984, former cannabis growers are requesting compensation for losses caused by the ban on its cultivation. The Government of Bangladesh should make every effort to eradicate such cultivation and should consider the development of agricultural projects aimed at providing alternative income to former traditional cannabis growers. National and international developing agencies should consider cooperating in such endeavours just as they do in other parts of the world, in particular with respect to traditional opium poppy or coca bush growers.

279. In South Asia, most of the cannabis is abused locally. In Sri Lanka, however, because of the large-scale production of cannabis, it is exported illegally to Australia and countries in Europe. Cannabis abuse has continued in Bangladesh, India, Nepal and Sri Lanka. In Sri Lanka, the number of cannabis abusers has been estimated to be 200,000. Large amounts of cannabis resin are smuggled out of Nepal and Pakistan into India. The abuse of cannabis oil (hashish oil) has been reported in Maldives. In Maldives, drug trafficking does not constitute a significant problem, but the rapid growth in tourism has been accompanied by an increase in the number of foreign nationals involved in that illicit activity.

280. In India, licensed farmers licitly cultivate poppy plants and licitly produce opium under governmental control (see paragraphs 72-77, above). To prevent diversion, Indian authorities have intensified the supervision of licit opium production areas and have conducted eradication campaigns in other states where illicit poppy cultivation was detected. The abuse of opium has continued in some Indian states.

281. The clandestine manufacture of heroin has been reported in India and large amounts of heroin have been smuggled into South Asia out of south-east and south-west Asia. Cooperation between Indian and Pakistan law enforcement authorities has improved, leading to some successes, but traffickers are seeking new routes for smuggling heroin into India out of Afghanistan and Pakistan. There are reports that the territories of India, Nepal and Sri Lanka are increasingly being used for the transshipment of heroin from south-east and south-west Asia. Most of the heroin smuggled into Europe out of Sri Lanka enters that country from India. Sri Lankan drug traffickers seem to have

developed close links with traffickers in India and Pakistan, with a view to transporting heroin of south-west Asian origin through both countries.

282. The spread of heroin abuse constitutes a major problem in South Asia. In India, heroin abuse was initially confined to metropolitan areas and the north-eastern states bordering Myanmar, but has since then spread to rural areas as well. Drug addiction is found in all parts of Indian society; however, the majority of heroin addicts are at the lower and lowest income levels. In the north-eastern states of India heroin is commonly injected. Elsewhere in the country, until only about three years ago, the methods used to administer heroin had been, by and large, confined to smoking and inhaling. Since then, heroin abuse by injection has spread to Bombay, Delhi, Madras and other metropolitan areas and even to rural areas. This trend has contributed to an alarming increase in the incidence of HIV/AIDS infection (see also paragraph 285, below).

283. In Sri Lanka, the number of heroin abusers has increased in the past three years. Heroin has become the main drug of abuse. For the time being, inhalation is the common method used to administer heroin; parenteral administration seems to be marginal. In the past, Bangladesh was used as a transit country for heroin destined for Europe or North America; however, local heroin abuse also started a few years ago. In Bangladesh, those who abuse heroin usually do so by inhaling it, but in 1995, signs of the growing abuse of heroin by injection were observed in the country for the first time. In Nepal, heroin abuse is on the rise. In that country, "chasing the dragon" (inhalation) is the main method used to administer heroin but the number of addicts who inject heroin is also substantial.

284. The abuse (drinking) of an antitussive, Phensedyl syrup, has been reported in several countries in South Asia. In India, it is reportedly being used as a cheap substitute for drugs or alcohol; in Nepal, to prevent such abuse, the sale of Phensedyl and other codeine-based cough syrups has been prohibited. Increasing abuse of Phensedyl was reported in Bangladesh. Phensedyl, once available only in 250 ml medicine bottles that were smuggled into Bangladesh out of India, can now be found in large barrels. The codeine phosphate content of some Phensedyl batches found on the illicit markets in Bangladesh and Nepal is much higher than that of the Phensedyl that is licitly available in India. According to the Government of Bangladesh, Phensedyl has become the main drug of abuse among young people in some areas of the country, including Dhaka. Illicit traffic in and abuse of Phensedyl and other similar cough syrups have created problems in some south-east Asian countries as well (for example, Myanmar; see also paragraph 265, above). The Board invites the Governments of the countries concerned to provide further information on the composition of such pharmaceutical products, on regulations in respect of their marketing and distribution and on the forms of abuse.

285. In the past, only a few cases of abuse of synthetic opioids (mainly pethidine and pentazocine) were reported in South Asia. This situation has changed drastically following the manufacture and marketing of buprenorphine in India. Because of the weakness of controls over the pharmaceutical supply system, injectable buprenorphine preparations are, despite existing prescription obligations, easily available in the region without a medical prescription. An alarming increase of buprenorphine abuse has been reported in Bangladesh, India and Nepal, contributing to the spread of HIV infection. In India, buprenorphine is commonly used in drug treatment centres in the detoxification of heroin addicts. Moreover, buprenorphine maintenance is advocated as an indigenous alternative to methadone maintenance. In 1994, India organized a national meeting on the prevention of buprenorphine abuse. A considerable amount of buprenorphine is being illicitly transported from India to countries in other regions, for example, to CIS member States.

286. In the opinion of the Board, the control system of buprenorphine should be revised by WHO and the Commission on Narcotic Drugs. Recent developments warrant the application of stricter control measures such as those for similar potent opioids in Schedule I of the 1961 Convention.

287. There have been only a few reports on cocaine abuse in Bangladesh, India and Nepal.

288. The Board appreciates the efforts of the Government of India to prevent the diversion of psychotropic substances licitly exported from that country. Between 1993 and 1995, the Indian authorities and the Board investigated about 80 commercial orders, thereby preventing the diversion of stimulants (pemoline), phenobarbital, benzodiazepines (chlordiazepoxide, diazepam, nitrazepam) and buprenorphine into illicit channels in Africa, the Americas, Asia and Europe (see also paragraphs 99 and 174, above).

289. The illicit manufacture of methaqualone has continued in India in Gujarat, Maharashtra, Rajasthan, Tamil Nadu and Goa. Significant quantities of that substance are being smuggled into African countries (see paragraphs 175, above); there are signs that traffickers have begun to use Sri Lanka as a transit country. Indian law enforcement agencies are vigorously combating illicit methaqualone manufacture and trafficking; seizures in India increased from 15 tonnes in 1993 to more than 43 tonnes in 1994. In 1994, seven clandestine laboratories were destroyed in the country.

290. The abuse of sedatives and tranquillizers (barbiturates and benzodiazepines) seems to be on the rise in South Asia. The availability of a growing number of such pharmaceuticals and the inadequate supervision of the pharmaceutical supply system are factors contributing to the increase in the abuse of pharmaceuticals containing psychotropic substances. There have been reports that most pharmaceutical preparations are available without a medical prescription. The Board recommends that States in the region should ensure that their pharmaceutical legislation conforms with international standards and should strengthen control over the distribution of pharmaceutical products. It invites WHO to assist States in the region in the development of adequate pharmaceutical regulatory control systems. The Board welcomes the initiative taken by the Government of India in organizing an expert meeting on the legal and administrative arrangements for the control of medicines to prevent their abuse.

291. In 1993, India instituted a system to regulate the trade in acetic anhydride and the Board trusts that the control system will be efficiently implemented. As a first result of the controls, large amounts of acetic anhydride have been seized in Gujarat and Rajasthan and at the border between India and Pakistan. It is suspected that significant quantities of that reagent are being exported illegally to Afghanistan, Myanmar and Pakistan and diverted within India for the illicit manufacture of heroin.

292. India is taking measures to control the manufacture and export of *N*-acetylanthranilic acid but, in the opinion of the Board, the monitoring of domestic distribution is most important in preventing the use of that precursor in the illicit manufacture of methaqualone.

293. After the Board had provided them with information about the large-scale diversion of ephedrine and pseudoephedrine for the illicit manufacture of methamphetamine, Indian authorities introduced a pre-export authorization system for the export of ephedrine. The Board appreciates the cooperation of the Government of India in preventing the availability of that precursor for the clandestine manufacture of methamphetamine (see also paragraphs 109 and 110, above).

294. The number of treatment and rehabilitation facilities in South Asia has been increasing but it remains limited. The Board welcomes the initiative taken by the Ministry of Welfare of India in setting up an interministerial committee on the reduction of illicit drug demand.

3. *West Asia*

295. In 1995, Lebanon acceded to the 1971 Convention and Uzbekistan acceded to the 1961 Convention, the 1971 Convention and the 1988 Convention. Of the 24 States in West Asia, 18

are parties to the 1961 Convention, 17 are parties to the 1971 Convention and 15 are parties to the 1988 Convention. Georgia, Kazakstan, Tajikistan, Turkmenistan and Yemen are not parties to any of the international drug control treaties. The Board urges all States in the region that have not already done so to become parties to those treaties.

296. In 1995, the Board sent missions to the Islamic Republic of Iran, Kazakstan, Pakistan and the United Arab Emirates (see paragraphs 327-342, below).

297. The Board notes with satisfaction the increasing cooperation between member States* of the Economic Cooperation Organization (ECO)²⁸ and also between them and UNDCP.

298. The Board highly appreciates the close cooperation in the field of drug control between Egypt, Israel and Jordan and the Palestinian Authority, as well as their cooperation with UNDCP, which was promoted during the meeting of an operational technical working group held at Cairo in July 1995.

299. The Board also appreciates the close subregional coordination between law enforcement agencies of the Cooperation Council for the Arab States of the Gulf.**

300. The Board welcomes the drafting of a new comprehensive drug control strategy by the League of Arab States, extending the strategy of the previous Arab convention, which is oriented mainly towards law enforcement, to include social problems. The Board notes with satisfaction the ongoing coordination between law enforcement agencies of the Council of Arab Ministers of the Interior.

301. The Board welcomes the establishment of national interministerial coordinating committees on drug control in Armenia, Kazakstan, Kyrgyzstan and Uzbekistan and encourages Governments of CIS member States in the region to speed up the adoption of new drug control laws with the assistance of UNDCP and to increase the cooperation between their national law enforcement agencies as provided by the agreement of police forces of CIS member States for the coordination of operational drug control activities, signed at Kiev in 1992.

302. The Board welcomes the initiatives undertaken by UNDCP for the establishment of drug control cooperation in central Asia and hopes that the programme to be submitted for signature to heads of State or Government of central Asian countries and the Executive Director of UNDCP at the political summit planned for early 1996 will constitute a major step towards closer cooperation between the signatories.

303. In the opinion of the Board, there is an urgent need to create appropriate legal frameworks and to strengthen law enforcement structures in CIS member States because the illicit cultivation of narcotic plants and the illicit production of, manufacture of, traffic in and abuse of narcotic drugs and psychotropic substances are on the increase and all of these problems are closely connected with the growing crime rate and in particular with the activities of criminal organizations. Similarly, there is an urgent need to regulate and control the system for the licit supply of narcotic drugs and psychotropic substances.

304. Heroin and opium are increasingly being transported across the territories of the five CIS member States in central Asia (Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan),

*Afghanistan, Azerbaijan, Iran (Islamic Republic of), Kazakstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

**Member States are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

mainly from Afghanistan and Pakistan to countries in Europe. It is expected that such transit traffic will expand rapidly with the introduction of new international air and railway connections, the extension of the Karakorum highway and the restoration of the silk road, which is in the planning stage.

305. Some of the CIS member States are major manufacturers of chemicals that can be used for the illicit manufacture of narcotic drugs and psychotropic substances. The Board urges those States to take immediate measures against the diversion and illicit export of such chemicals, in particular acetic anhydride (see also paragraph 339, below).

306. In the opinion of the Board, special attention should be paid in CIS member States to the problem of money-laundering. The absence of mechanisms to control new financial institutions and banking activities and promising investment possibilities offer opportunities for persons who engage in money-laundering. In some CIS member States, hard-currency casinos, restaurants, shops and hotels also provide opportunities for such criminal activity.

307. The Board notes with satisfaction that the member States of the Cooperation Council for the Arab States of the Gulf have agreed to implement recommendations against money-laundering formulated by the Financial Action Task Force; however, the magnitude of the international movement of foreign exchange and promising investment opportunities frequently hinder the implementation of those recommendations (see also paragraph 336, below).

308. The Board hopes that the creation of a committee within the banking system for self-control and international cooperation and the forthcoming adoption of a new draft law containing provisions against money-laundering will enable the Government of Lebanon to improve its control of the large flow of foreign exchange and the fast-growing banking sector in that country.

309. Large-scale illicit cannabis cultivation and cannabis resin production have continued in Afghanistan. Afghanistan and Pakistan continue to be important suppliers of illicit drug markets in Europe. The large-scale illicit traffic in cannabis and cannabis resin continues to create problems for the transit countries in West Asia, as well as in Europe.

310. Wild-growing cannabis covers large areas in CIS member States. Cannabis grows wild not only on approximately 140,000 hectares in Kazakstan and 6,000 hectares in Kyrgyzstan,²⁹ but also in the other CIS member States in central Asia (Tajikistan, Turkmenistan and Uzbekistan) and in the CIS member States in the Caucasus (Armenia, Azerbaijan and Georgia). The illicit cultivation of cannabis has also been reported in all of the CIS member States, but the controversial estimates do not allow a realistic assessment of the extent of that cultivation. There are contradictory reports regarding the potency of the cannabis varieties in central Asia. The Board recommends the countries concerned to clarify the THC content of wild-growing and cultivated cannabis varieties in the CIS member States in Asia.

311. The abuse of cannabis and cannabis resin continues to be substantial in Afghanistan and Pakistan and has increased in the CIS member States. Such abuse has been reported in most countries in West Asia.

312. Successful campaigns to eradicate illicit crop cultivation were conducted in the Beqa'a valley in Lebanon in 1991 and 1992.³⁰ Since then, no cultivation of illicit crops has been observed there. But former cannabis and poppy growers still do not have an alternative source of income and such a situation leads to strong tension. To solve the problem, UNDCP and UNDP initiated an integrated area development programme. The Board invites Governments and development agencies to support

ongoing UNDCP efforts aimed at preventing a re-emergence of the illicit cultivation of narcotic plants in Lebanon.

313. In Afghanistan, UNDCP has conducted a comprehensive survey on the extent of illicit poppy cultivation and opium production in crop year 1994/1995. The survey has confirmed the findings of the survey conducted in the crop year 1993/1994. Calculated illicit opium production is about 2,300 tonnes, about one third less than in crop year 1993/1994. The decrease is attributed to large-scale eradication, lower prices (because of oversupply in crop year 1993/1994) and increased cultivation costs. The effective border control and fight against drug trafficking by some of the neighbouring countries have also contributed to the reduction in production and prices. CIS member States are urged to similarly reinforce control of their borders with Afghanistan. Illicit opium production has only risen in the province of Badakhshan, mainly due to the emerging new trafficking through neighbouring CIS countries in central Asia. In Pakistan, according to the Government, the area under poppy cultivation and the amounts of opium produced have considerably diminished since the introduction of a ban on such activity in 1979, but illicit poppy cultivation has continued in tribal areas, where most federal laws are not enforced.

314. In the CIS member States in central Asia, Gorno-Badakhshan (in southern Tajikistan), Penjikent (at the Tajik-Kyrgyz border), Taldy-Kurgan and Kzyl-Orda (both in southern Kazakhstan) and the Samarkand area (in Uzbekistan) are the major illicit opium production areas, and the opium poppy is cultivated in those areas on small plots. In 1994, 400 hectares of illicitly grown poppy were eradicated in Penjikent and operation "Mak" in northern Tajikistan resulted in the seizure of 200 tonnes of opium and cannabis resin and in the arrest of dozens of well-armed gangs. The Government of Uzbekistan has continued the annual "Black Poppy" operations, leading to the manual eradication of an average of 150 tonnes of opium poppy plants and 25 tonnes of cannabis plants per year. In the CIS member States in the Caucasus, opium poppy is cultivated mainly in Georgia, where 200,000 poppy plants and 500,000 cannabis plants were destroyed in 1994.

315. Illicit heroin manufacture has continued in West Asia. Large amounts of morphine and heroin base have been smuggled out of Afghanistan and Pakistan, particularly into Turkey, where clandestine laboratories for the manufacture of heroin hydrochloride have been dismantled in the eastern provinces and, increasingly, in the Istanbul area. According to ICPO/Interpol reports, some laboratories have also been detected in Lebanon. In Afghanistan, the number of clandestine heroin laboratories is on the increase. Many laboratories are located in the northern part of Afghanistan, in close proximity to its borders with Tajikistan, Turkmenistan and Uzbekistan, to facilitate the procurement of chemicals needed for illicit heroin manufacture. In Kazakhstan, large amounts of acetic anhydride are manufactured and illicitly used, also in "kitchen laboratories", to manufacture heroin.

316. The abuse of heroin (mainly heroin smoking) continues to create enormous problems in Pakistan. Increasing heroin abuse has been reported in Afghanistan. Heroin abuse is also on the increase in Turkmenistan, where "brown sugar" (heroin base) smoking among young people is creating more problems than the old habit of eating opium among elderly people. Intravenous injection of opiates (opium infusions or poppy straw extracts) has been reported in Armenia, Georgia, Kazakhstan and Uzbekistan.

317. In 1994, law enforcement authorities in Georgia detected the illicit cultivation of coca bush on an experimental basis in Adjara, an area in the country with a subtropical climate, and in the mountains of Svatonia. According to local authorities, illicit traffickers have begun exploring the possibility of cultivating coca bush on a large scale in Georgia. In the opinion of the Board, it is important for the Government of Georgia to take measures to prevent coca bush from being cultivated

on its territory and to initiate action against the attempts by international criminal organizations to introduce illicit coca bush cultivation in that country.

318. According to ICPO/Interpol reports, coca base is smuggled out of countries in South America into Lebanon, where it is converted in clandestine laboratories into cocaine hydrochloride and subsequently illegally exported, via Turkey, to other countries, mainly in Europe.

319. Cocaine abuse is not considered to be a problem in most countries in West Asia.

320. As for psychotropic substances, major problems are caused by stimulants: amphetamine and fenetylline in Arab countries and methcathinone in central Asia.

321. The smuggling of important quantities of illicitly manufactured fenetylline (Captagon) tablets out of European countries into States in the area of the Persian Gulf has continued. Analysis of seized samples has revealed that those tablets often contain amphetamine or caffeine instead of fenetylline. The abuse of amphetamine and (fake or real) fenetylline has been reported in Israel and Lebanon, as well as in States in the area of the Persian Gulf.

322. The large-scale illicit manufacture of, traffic in and abuse of methcathinone (ephedrone) have been increasing in CIS member States in central Asia. Methcathinone can be easily manufactured from ephedrine, which is extracted from the *Ephedra* plant. *Ephedra* grows abundantly in Kyrgyzstan, where 500 tonnes of it are harvested annually for the licit manufacture of ephedrine. In Kazakstan, approximately 2,000 tonnes of *Ephedra* may be harvested annually in the mountain ranges of the country. There are reports on clandestine laboratories manufacturing ephedrine, which is subsequently converted into methcathinone.

323. A sharp increase in the abuse of LSD has been reported in Israel, a development that is similar to that in several European countries.

324. The Board highly appreciates the demand reduction programmes of the Government of Israel, which include preventive programmes conducted in many schools, different treatment and rehabilitation possibilities, the active involvement of the media and special programmes for various ethnic and religious groups.

325. The Board also appreciates similar efforts in some other countries but deplores the lack of demand reduction activities in many countries in West Asia and invites the Governments of the States in the region to consider the undertaking of such preventive programmes a priority issue and to request the assistance of UNDCP, WHO and non-governmental organizations in that endeavour.

326. In June 1995, the Board sent a mission to the Islamic Republic of Iran to discuss all aspects of drug control in that country. The Board notes with satisfaction that the Government of the Islamic Republic of Iran is conducting a systematic fight against illicit drug trafficking. The Board is aware of the difficulties encountered by the national law enforcement authorities in preventing the smuggling of cannabis resin, opium, morphine and heroin into the country and in preventing its territory from being used to transport most drugs to Europe from its neighbouring countries. The Board appreciates the efforts of the Government of the Islamic Republic of Iran in that direction and recommends that the Government should be provided with assistance in the form of equipment for law enforcement activities.

327. The Board recommends that the Government of the Islamic Republic of Iran should undertake an epidemiological study of the drug abuse situation in that country and should develop a nationwide demand reduction preventive programme.

328. The mission discussed with the Iranian authorities the possible consequences of any exports of codeine manufactured from seized opium. Such activity would be in conformity with the provisions of the international drug control treaties but would not be in line with the relevant Economic and Social Council resolutions. The mission reminded the Government of the Islamic Republic of Iran of the adverse impact that such action would have on the balance between supply of and demand for opiates (see paragraphs 68-77, above).

329. A mission of the Board visited Pakistan in June 1995. The Board appreciates that the illicit poppy cultivation and opium production have been reduced in Pakistan, mainly in those districts where projects for integrated development are being implemented. The Board is concerned, however, about the extent of the illicit trafficking in and abuse of narcotic drugs in Pakistan. The Board is aware of the external and internal difficulties facing the country (the unstable situation in Afghanistan, the non-enforcement of federal law in tribal areas etc.) that hinder efforts by the Government to deal with the problem in a concerted manner.

330. The Board appreciates the law enforcement actions that have led to the seizure of substantial amounts of cannabis resin and opium. At the same time, the Board urges the Government of Pakistan to give the highest priority to implementing the federal narcotic laws and regulations in tribal areas where those laws and regulations are still not enforced and where there is substantial illicit cultivation, production, manufacture and trafficking. The Board notes with concern that successful law enforcement action is often not followed by the punishment of traffickers and invites the Government to increase its action against the underlying factors (corruption, political influence of criminals etc.).

331. The Board trusts that the new administrative structure, the new control of narcotic substances ordinance of 1995, the increased regional and bilateral cooperation and the ongoing UNDCP assistance will allow the Government of Pakistan to effectively combat the drug problem.

332. The Board notes with particular concern the drug abuse situation in Pakistan but appreciates the increased awareness of that problem and encourages the Government to expand its demand reduction activities to include all of its aspects.

333. The Board recommends that the Government of Pakistan should strengthen its control of the licit trade in phenobarbital and other psychotropic substances as provided by the 1971 Convention, as well as the cooperation between national agencies in the control of precursors.

334. The Board urges the Government of Pakistan to pay more attention to money-laundering activities, which are often facilitated by liberal financial regulations and policies.

335. In June 1995, the Board sent a mission to the United Arab Emirates. The Board had been alerted to the fact that the country had been used to divert substances used for the illicit manufacture of methamphetamine in Mexico and for the conversion of morphine into heroin in West Asia (see paragraph 129-132, above). The mission of the Board therefore discussed with the Government of the United Arab Emirates measures necessary for the implementation of article 12 of the 1988 Convention and recommended that the Government should ensure the implementation of those measures by all of the national authorities involved in precursor control, particularly by the customs services. The Board notes with satisfaction that the Government has already started to implement measures to prevent a reoccurrence of incidents involving diversion.

336. In the United Arab Emirates promising investment opportunities and the lack of adequate legislation offer possibilities for persons who engage in money-laundering. The Board welcomes the drafting of the first law to include measures against money-laundering and to provide for the confiscation of assets derived from drug trafficking activities. The Board urges the Government of the United Arab Emirates to adopt and implement that law as soon as possible.

337. In September 1995, the Board sent a mission to Kazakstan to invite the Government to ratify the three main international drug control treaties, since Kazakstan is not a party to any of them.

338. Accession to the 1961 Convention and the implementation of the provisions of that Convention are a matter of priority because Kazakstan is the only CIS member State that is a manufacturer of morphine, codeine and other natural and semi-synthetic opiates and it is an important supplier of those alkaloids to other CIS member States. There had been some indications that opiates manufactured in the pharmaceutical plant at Chimkent had been diverted. Vast areas of Kazakstan are covered with wild-growing cannabis. There are reports on the illicit cultivation of opium poppy and on the increasing abuse of opiates (mainly extracts prepared in "kitchen laboratories").

339. Ratification of the 1988 Convention and the implementation of its provisions are of crucial importance because there is evidence that the territory of Kazakstan is increasingly being used as a transit point by international drug traffickers. Kazakstan is a major manufacturer of acetic anhydride and there are reports that that chemical is being smuggled out of the country into clandestine heroin laboratories in Afghanistan.

340. There is an urgent need for strict controls over the precursors and chemicals in Tables I and II of the 1988 Convention. Wild-growing *Ephedra* plants constitute a potential source for illicit ephedrine manufacture. In addition, ephedrine is a precursor of methcathinone (called ephedrone in CIS member States) and there is evidence that the clandestine manufacture and the abuse of that substance (which is under the control regime of the 1971 Convention) constitute problems in Kazakstan. Without the application of the provisions of the 1988 Convention it would be very difficult to prevent the illicit manufacture and abuse of methcathinone.

341. The Board is confident that the Government of Kazakstan will speed up the adoption of adequate drug control legislation, making use of the assistance provided by UNDCP. The Board appreciates the recently introduced national coordination mechanism and encourages the Government of Kazakstan to develop the administrative structures that are necessary for the establishment of a functional national drug control system. The Board invites international organizations to assist the Government in its efforts.

D. Europe

342. Since the last report of the Board was published, Belgium has acceded to the 1971 Convention and the 1988 Convention, Norway has acceded to the 1988 Convention and the Republic of Moldova has acceded to the 1961 Convention, the 1971 Convention and the 1988 Convention. Only a few States in Europe are not parties to the three main international drug control treaties.

343. Since its last report the Board has sent missions to Bulgaria, Switzerland and Ukraine (see paragraphs 379-389, below).

344. The Board appreciates that the European Union has concluded bilateral agreements with a great number of States and intergovernmental organizations in order to increase cooperation in activities aimed at countering money-laundering, the diversion of precursors and other chemicals, and illicit drug

manufacture and trafficking. The European Monitoring Centre for Drugs and Drug Addiction, established at Lisbon by the European Council in 1994,³¹ will be operational in 1995. The Board notes with satisfaction that the Centre intends to cooperate with the United Nations.

345. The Board appreciates that the Agreement on Illicit Traffic by Sea, Implementing Article 17 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, was concluded by the States members of the Council of Europe and was opened for signature at Strasbourg in January 1995.

346. The Board regrets that, despite the growing concern over drug-related problems, no comprehensive drug legislation has been enacted in any of the formerly socialist countries in eastern Europe. In several countries, such legislation has been drafted and has even been proposed to Governments and parliaments, but has not yet been adopted. The Board urges the Governments and parliaments of those countries to accelerate the adoption of new drug legislation, including legislation that takes into account the provisions of the 1988 Convention.

347. The Board welcomes the establishment of close contacts between UNDCP and the inter-parliamentary assembly of member States of CIS with a view to providing technical assistance to parliaments of States in the process of adopting new drug control legislation.

348. A governmental commission to combat drug abuse and illicit trafficking was set up in the Russian Federation, and an interministerial drug coordination body was created in Estonia in 1994. Lithuania established a national narcotics control committee in 1995; the highest priority of the committee is the redrafting of legislation to ensure compliance with the provisions of the 1988 Convention and subsequently the accession of Lithuania to that Convention.

349. Following the ratification of the three international drug control treaties, a standing committee on drug control was established in the Republic of Moldova in 1995.

350. The Board notes recent initiatives taken by the Government of the Netherlands in an effort to bring its drug policy more in line with the international drug control treaties. It notes with satisfaction that the Government and the parliament of the Netherlands are taking into consideration, during their discussions, the provisions of the international drug control treaties, the impact of their decisions on the drug control policy of other States and on the illicit traffic situation and the views expressed in the report of the Board for 1993.³² At the same time, however, the Board expresses its continued concern at the persistence of certain practices, only slightly altered, which call into question the Government of the Netherlands' fidelity to its treaty obligations. This includes continuing the failed policy of "separation of markets",³³ tolerating the continued cultivation of *nederwiet* provided that it is of lower THC content, permitting the operation of so-called coffee shops, many of which have fallen under the control of criminal elements, and continuing to stockpile narcotic drugs for non-medical purposes. The Board will continue to observe closely the progress made by the Government of the Netherlands in fulfilling its treaty obligations.

351. The Government of the United Kingdom launched a tough new drive against drug abuse in 1995 in a white paper entitled "Tackling drugs together", combining vigorous law enforcement, drug prevention in schools, action in communities and initiatives in prisons. The Government also set up a toll-free confidential national drug help-line, which provides information and advice about drugs and inhalants 24 hours a day. The Board appreciates the firm stand of the Government of the United Kingdom against the legalization of the non-medical use of drugs.

352. The incidence of crimes connected with illicit drug trafficking is increasing in Europe, in particular in the central and eastern parts of the region. Drug-related problems in eastern Europe are closely connected with the overall rise in criminality in the formerly socialist countries, which are suffering from major economic and social problems. The increasing use of the territories of central and eastern European countries as transit routes for narcotic drugs is a factor contributing to the increase in drug-related crimes and to the propagation of local drug abuse.

353. The adverse impact of the activities of criminal organizations on the political, economic and social stability has been strongest in CIS member States, where the interdiction capability of law enforcement services has been limited, the justice system has been slow, corruption has hindered the proper functioning of administrations, and democratic institutions have been fragile. Illicit drug trafficking is often facilitated by a lack of border controls. The relations between individual trafficking groups have grown and – with the assistance of some nationals of CIS member States who have recently settled in Austria, Cyprus, Czech Republic, Germany, Hungary, Poland and other countries – have succeeded in establishing international links.

354. The Board welcomes the UNDCP assistance programmes focusing on the prevention of drug-related crime in CIS member States, which are being undertaken in cooperation with the Crime Prevention and Criminal Justice Branch of the Secretariat.

355. There are close links between drug trafficking and money-laundering in the Russian Federation. Money-laundering in that country, which is not a criminal offence under current national legislation, is frequently conducted through private businesses, insurance companies, financial institutions, exchange offices and real estate agencies and through newly privatized factories, companies, hotels etc.

356. The ongoing privatization of State-owned properties and weaknesses in the supervision of the increasing number of financial institutions provide plenty of opportunities for criminals to engage in money-laundering in formerly socialist countries in Europe. The Board welcomes the adoption of a law against money-laundering in Hungary and urges other States to follow that example as soon as possible.

357. The Board appreciates the efforts of the European Commission aimed at the implementation of the provisions of its directives against money-laundering and congratulates the authorities of France, Germany, Italy and other European countries who have conducted successful operations against money-laundering, leading to the arrest of important cocaine and heroin traffickers.

358. In Sweden, the experimental abuse of drugs among 16-year-old pupils has decreased from about 14 per cent to about 5 per cent in the past 20 years. In 1980, 19 per cent of 18-year-old males signing on for military service had tried drugs; that proportion diminished to 9 per cent in 1994. In 1979, 37 per cent of severe drug abusers were under 25 years old, compared with only 10 per cent in 1992. The Board appreciates the accomplishment of the Government of Sweden, which can be considered to be the result of its clearly defined and constantly followed policy, based on maintaining a balance between demand reduction and supply reduction, achieving political consensus and on striving for the participation of the entire society.

359. The Board also appreciates the assistance provided by UNDCP, the European Union and the Pompidou Group to central and eastern European countries in demand reduction.

360. The Netherlands has become a significant producer of cannabis cultivated indoors. In 1994, about 500,000 such plants were seized by law enforcement authorities in that country. According to

ICPO/Interpol, the THC content of cannabis in the Netherlands ranges from 9 per cent to 22 per cent. Seeds are exported to countries in western and eastern Europe, where they are used for the indoor cultivation of highly potent cannabis. In the opinion of the Board, the export of such seeds for illicit cultivation purposes is against the provisions of the 1961 Convention and the 1988 Convention and is contrary to the regulations of the European Commission and the Council of the European Union.³⁴ The export of technical expertise from the Netherlands to other countries plays an important role in the propagation of illicit indoor cannabis cultivation in Europe.

361. Cannabis grows wild and is illicitly cultivated in the CIS member States in Europe (Belarus, the Republic of Moldova, the Russian Federation and Ukraine) and illicit cannabis cultivation has been reported in eastern Europe.

362. Although there have been no major changes in the situation in Europe with regard to the illicit traffic in cannabis and cannabis resin, cannabis seizures increased substantially, from 440 tonnes to 783 tonnes, between 1993 and 1994. The main supplier States continue to be in Africa (Morocco and Nigeria), Central America and the Caribbean (Jamaica), South America (Colombia) and West Asia (Afghanistan and Pakistan).

363. Cannabis remains the main drug of abuse in Europe. An increase in cannabis abuse has been reported mainly in the eastern part of the region.

364. In Belarus, the Russian Federation and Ukraine, despite a ban on all poppy cultivation, illicit poppy cultivation continues. The Board notes with concern that in the Republic of Moldova, the cultivation of poppy is not yet regulated. In other central and eastern European countries, poppy cultivation for the production of seeds is permitted, but opium production, traffic in poppy straw and the use of poppy straw for the preparation of abusable extracts are punishable offences. There is considerable illicit traffic in poppy straw in CIS member States and in the Baltic States (Estonia, Latvia and Lithuania). In 1994, an opium processing laboratory was dismantled in Lithuania.

365. In 1994, 10 tonnes of heroin were seized in Europe; 80 per cent of it was estimated to have originated in south-west Asia and most of it had been transported along the Balkan route. The armed conflict in former republics of Yugoslavia has disrupted the traditional Balkan route and, as a result, the routes used by international traffickers have become more diverse. The territories of CIS member States are increasingly being used as transit points by traffickers of heroin and cannabis resin. In addition to Bulgaria, the Czech Republic, Hungary and Romania have become more important as transit countries. Albania and the former Yugoslav Republic of Macedonia are frequently used as transshipment points. South-east Asian heroin is smuggled by sea through Vladivostok and by land in *transport international routier* (TIR) trucks through Mongolia and the Russian Federation. Rail containers originating in the CIS member States in central Asia, countries in south-west Asia, Turkey and the countries in the Caucasus are increasingly being used for smuggling heroin into western Europe through the Russian Federation.

366. Most of the heroin smuggled into Europe is abused in countries in the western part of the region, but there are signs that heroin abuse is also emerging in some countries in central and eastern Europe. The abuse of poppy straw extracts remains a major problem in CIS member States and in the Baltic States, where the abuse of synthetic opioids has also become a problem (see paragraph 367, below). In Poland, there has been a decline in the abuse of poppy straw extracts, accompanied by an increase in amphetamine abuse. A similar shift from opiates to amphetamine had been observed earlier in other countries in the region.³⁵

367. In the opinion of the Board, the dismantling of a growing number of clandestine laboratories engaged in the manufacture of synthetic opioids, mainly 3-methylfentanyl, in the Russian Federation and the propagation of the abuse of such synthetic drugs in that country and in neighbouring countries, above all in the Baltic States, constitute a major threat to the entire European region. The synthetic opioid 3-methylfentanyl is several hundred times more potent than heroin and can be easily synthesized. Considering the fact that the existing manufacturing capacity in the Russian Federation, other CIS member States, the Baltic States and other central and eastern European countries is no longer fully used for legal industrial purposes, there is a real risk that 3-methylfentanyl and other synthetic opioids will appear on illicit markets in western European countries.

368. Cocaine seizures increased significantly in Europe. Central and eastern European countries are increasingly being used by South American cartels as transit States for cocaine destined for illicit markets in western Europe. Increasing seizures indicate that Poland has become an important transit point for cocaine traffickers. Cocaine is smuggled into Europe through the Russian Federation and Ukraine and through several countries in south-eastern Europe. Despite the emergence of new trafficking routes, the Iberian peninsula continues to be the most important point of entry into Europe for cocaine from South America; however, France, the Netherlands and the United Kingdom are also making seizures of that drug in increasing amounts. Nationals of countries in western Africa continue to be used as couriers to smuggle cocaine out of South America and into Europe via airports in western Africa.

369. The abuse of cocaine is on the increase in Europe, mainly in the western part of the continent, but there are signs that such abuse is also spreading in some countries in eastern Europe. In 1994, crack was involved in 50 per cent of the cocaine seizures in the United Kingdom. Crack continues to be a matter of concern to authorities in that country, especially considering the violent criminality associated with its abuse.

370. Problems connected with the abuse of psychotropic substances are increasing in the European region. In the opinion of the Board, the abuse of synthetic stimulants (amphetamine, methamphetamine and methcathinone) and hallucinogens ("ecstasy"-type hallucinogenic amphetamines and LSD) merits special attention.

371. Amphetamine is widely available in most countries in Europe; large quantities of amphetamine originating mainly in the Netherlands but also in Poland have been seized in several countries in western Europe and in the Nordic States. In Poland, four large-scale clandestine amphetamine laboratories were dismantled in 1994 and two more were dismantled in the first half of 1995. There are signs that illicit amphetamine and methamphetamine manufacture is taking place, on a smaller scale, in several other European countries. The black market for metamphetamine in the Czech Republic is supplied by a large number of small, clandestine "home laboratories": in 1994, 70 such laboratories were seized by the authorities.

372. Increasing amphetamine abuse has been reported from a number of countries but, in some cases, no distinction has been made between amphetamine and hallucinogenic amphetamine-derivatives (MDMA etc.) in seizure reports or drug abuse statistics.

373. Considerable increases in cases involving the seizure or abuse of MDMA and similar hallucinogenic amphetamines have been reported in France, Italy, Spain and some other countries. In Spain, in the first three months of 1995, more than 200,000 units of such drugs were seized, nearly twice the figure for the entire year in 1994. In 1994, the largest ever MDMA laboratory was seized at Amsterdam. The Netherlands remains the major supplier of hallucinogenic amphetamines, but substantial amounts of such drugs originate in eastern European countries. There are signs that the

manufacture of synthetic drugs has continued in the Baltic States, where control and detection of illicit drug manufacture and trafficking are hindered by the large number of chemical and pharmaceutical companies.

374. LSD abuse is growing in Spain and the United Kingdom, and several countries in central and eastern Europe (Croatia, the Czech Republic, Hungary and Slovenia) have reported increased trafficking in and abuse of LSD, to the extent that LSD has become one of the most abused drugs in the Czech Republic and Slovenia. Most of the LSD found in Europe originates in the United States.

375. Growing abuse of hallucinogenic mushrooms has been reported in Estonia and in the Russian Federation, where control measures have been introduced for the prevention of that form of abuse. The Board invites Governments and regional and international organizations to monitor the new trends in the abuse of hallucinogens.

376. The Board highly appreciates the cooperation of Governments in the control of ephedrine shipments, which has led to prevention of the diversion of substantial amounts of that compound (see paragraphs 127-144, above).

377. The smuggling of large quantities of khat (*Catha edulis*) into Europe is creating problems for the authorities of several countries. Khat is not under international control but its use is considered to be a form of abuse in several European countries where preventive measures have been taken against its import.

378. The Board sent a mission to Bulgaria in October 1995 to assess the action undertaken by the Government of Bulgaria pursuant to the recommendations made by the Board during its mission in April 1993.³⁶ The Board appreciates the initial steps undertaken by the Government of Bulgaria in establishing an interministerial drug control committee, introducing control mechanisms for precursors and other chemicals and reinforcing some law enforcement services. The Board has noted that the Government of Bulgaria is elaborating a special law to counter money-laundering.

379. The Board urges the Government of Bulgaria to ratify the 1972 Protocol amending the 1961 Convention, to adopt comprehensive drug control legislation, to undertake steps for the destruction of seized drugs and to improve the functioning of its criminal justice system in the prosecution of drug-related criminal cases.

380. In February 1995, the Board sent a mission to Switzerland to follow up its mission to that country in February 1994.³⁷ Such missions are an integral part of the continuing dialogue of the Board with the Government of Switzerland on two extremely important issues: the accession of Switzerland to the 1971 Convention and the 1988 Convention; and the drug control policy of that country, including the ongoing heroin project.

381. Switzerland is still not a party to the 1971 Convention, but since the return of the mission the Board has been assured by the Government that all of the legislative and administrative arrangements are in place for the ratification and implementation of that Convention in 1996. The Board understands that that implementation will include the application of the export-import authorization system in accordance with the relevant Economic and Social Council resolutions, which could serve as an example for some other countries that are also major manufacturers and exporters of psychotropic substances.

382. In the past, the territory of Switzerland was frequently used for the diversion of precursors of psychotropic substances (ephedrine, in particular). The Board regrets that Switzerland is not yet

prepared to ratify the 1988 Convention, but it appreciates the active cooperation of the Swiss authorities in the prevention and detection of cases involving such diversion cases and it is confident that the new regulation of precursor control and the new law on money-laundering which are expected to be adopted in 1995, will strengthen the international control system.

383. Until recently, there were a number of open drug scenes in various cities in Switzerland, including one in Zurich that was frequented by about 3,000 drug abusers (and dealers) each day – in peak times, by up to 8,000. According to the Swiss authorities, all those sites have been closed. In addition to the increasing drug abuse problem, Switzerland had experienced the rapid spread of HIV infection (until recently, the country had the highest HIV infection rate among European countries). The Board appreciates that the Swiss Government has acknowledged that, due to that policy, the drug problem has reached a level where it has become uncontrollable.

384. In the opinion of the Swiss authorities, the project on the prescription of heroin to drug addicts should be considered one element of their efforts to find solutions to the country's drug problems. Simultaneously with that controversial experiment, the Government of Switzerland has undertaken concrete steps towards the improvement of prevention, therapy, repression and rehabilitation (which are considered to be the four pillars of its national policy). In the therapeutic field, for example, existing facilities for long-term clinical treatment, which can currently accommodate 1,500 persons, will be increased by 380 additional places, and about 13,000-15,000 drug dependent persons are currently receiving methadone substitution therapy. The aim of the heroin project is to explore new possibilities for the treatment of heavily addicted persons for whom other forms of treatment have failed.

385. The Board reiterates its concerns in respect of the experiments with heroin for maintenance purposes;³⁷ however, it welcomes the prompt compliance of the Government of Switzerland with the Board's recommendation to invite WHO to conduct an independent assessment of the medical and scientific aspects of the project. The Board also appreciates the willingness of WHO to undertake that assessment and it hopes that the findings of WHO will be made available in the near future.

386. In September 1995, the Board sent a mission to Ukraine. The Board is aware of the difficulties encountered by the drug control and law enforcement services of the country, where criminality, including drug-related criminality, and drug abuse are on the increase. The Board appreciates the commitment of the Government of Ukraine to meet its obligations under the international drug control treaties; however, it urges the Government to speed up the development of a comprehensive national drug control policy.

387. The Board welcomes the initial steps taken by the Government of Ukraine towards the introduction of updated drug control legislation and a mechanism for interministerial coordination. The adoption in 1995 of legislative measures enabling authorities to identify money-laundering transactions, to prosecute persons involved in such activities and to confiscate assets derived from drug trafficking is considered by the Board to be an encouraging sign.

388. The Board recommends that the Government of Ukraine should provide more resources for the strengthening of its national drug control system. The Board appreciates the respective assistance provided by UNDCP and encourages international organizations to continue to provide training and equipment to assist Ukraine in its efforts to improve its drug control and law enforcement capability.

E. Oceania

389. Of the 14 States in Oceania, only 8 are parties to the 1961 Convention and the same countries are parties to the 1971 Convention. Only Australia and Fiji are parties to the 1988 Convention and

six States in the region are not parties to any of the international drug control treaties. The Board urges all States in the region that have not already done to accede to those treaties.

390. In 1995, the Board sent a mission to Papua New Guinea (see paragraphs 403-404, below).

391. With the exception of a few countries (for example, Papua New Guinea), illicit drug production, trafficking and abuse do not constitute major problems in the Pacific island countries. However, there is evidence that illicit traffickers are increasingly using the territories of those countries as transit points. Their tasks are often facilitated by the fact that in most countries drug control legislation is outdated (or even non-existent) and the financial, technical and human resources of many poor islands are too limited to deal with increasing drug trafficking.

392. The Board highly appreciates the assistance provided to countries in the region by the Governments of Australia and New Zealand and UNDCP in the revision and updating of their drug control legislation and in the training of professionals.

393. The Board appreciates the efforts of the Government of Australia to ensure a balance between law enforcement and demand reduction activities under its comprehensive drug strategy.

394. Australia had enacted already in 1987 effective legislation against money-laundering. In New Zealand a law has been recently adopted enabling the forfeiture of assets derived from criminal activities. The Board welcomes the drafting of legislation on countermeasures against money-laundering in New Zealand and hopes that the adoption of such a law will allow the Government of that country to accede to the 1988 Convention and to implement its provisions. The Board appreciates the efforts of the South Pacific Forum in assisting national authorities in the subregion in drafting legislation against money-laundering and in the training of agency personnel in the execution of countermeasures because the current situation (lack of legislation and controls) offers plenty of opportunities for persons who engage in money-laundering.

395. Cannabis grows wild in several countries in Oceania and is also illicitly cultivated in Australia, Fiji, New Zealand, Papua New Guinea and Samoa. Cannabis originating in Papua New Guinea has been frequently seized in Australia.

396. There are reports of cannabis abuse in several countries in the region. In Australia, New Zealand and Papua New Guinea, cannabis remains the most popular drug of abuse.

397. The licit cultivation of poppy is properly regulated and controlled in Australia. Some cases of illicit poppy cultivation have been reported in New Zealand.

398. Heroin abuse continues in Australia and there are also cases of heroin abuse in New Zealand, where in many cases, codeine or morphine is extracted from pharmaceutical preparations and converted into heroin by drug abusers.

399. There are only sporadic reports on cocaine abuse in Oceania.

400. Illicit manufacture and abuse of methamphetamine as well as hallucinogenic amphetamines, particularly MDMA, continue to constitute major problems in Australia. Precursors for the illicit manufacture of such psychotropic substances in Australia are usually obtained from the United States and countries in Europe. New hallucinogenic "designer drugs" have also been seized in that country.

401. Abuse of stimulants (amphetamine and methamphetamine) has also been reported in New Zealand, where the increasing abuse of hallucinogens is considered by the Government to be a problem. Substantial amounts of LSD have been seized in that country and different hallucinogenic amphetamines, mescaline and psilocybine have also been found recently on the illicit drug market.

402. A mission of the Board visited Papua New Guinea in October 1995. The Board had been receiving contradictory reports on the level of abuse of cannabis in that country. The mission noted that cannabis abuse had been increasing and had already reached a significant level. It appears that the abuse of other drugs is not significant. The Board invites the Government to evaluate the extent of abuse of cannabis and of other drugs. The Board trusts that the Government will assign the necessary resources to drug control activities, including the treatment and rehabilitation of addicts.

403. The Board welcomes the efforts of the Government, with the support of UNDCP, to adopt comprehensive national legislation to adequately deal with new trends in drug abuse and the illicit drug traffic. The Board urges the Government to clearly define the role of each drug control agency in order to eliminate the misunderstanding that currently exists between some of them. The Board invites the Government to strengthen the control of import and domestic distribution of psychotropic substances and to resume the submission of mandatory reports on narcotic drugs and psychotropic substances to the Board.

Notes

¹*Official Records of the United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Volume I* (United Nations publication, Sales No. E.94.XI.5).

²"Prevention of the criminal use of the banking system for the purpose of money laundering", *Federal Banking Law Reporter*, vol. 1271, No. 11 (10 February 1989).

³European Treaty Series No. 141.

⁴*Official Journal of the European Communities*, No. L 166, 28 June 1991.

⁵E/CONF.88/7.

⁶A/49/748, annex.

⁷A/CONF.169/16.

⁸United Nations, *Treaty Series*, vol. 520, No. 7515.

⁹*Ibid.*, vol. 976, No. 14152.

¹⁰*Ibid.*, vol. 1019, No. 14956.

¹¹*Report of the International Narcotics Control Board for 1994* (United Nations publication, Sales No. E.95.XI.4), para. 21 (i).

¹²*Official Records of the Economic and Social Council, 1995, Supplement No. 9* (E/1995/29), para. 119.

¹³United Nations publication, Sales No. E.89.XI.5.

¹⁴*Report of the International Narcotics Control Board for 1993* (United Nations publication, Sales No. E.94.XI.2), para. 92.

¹⁵*Report of the International Narcotics Control Board for 1994 ...*, para. 88.

¹⁶See *Effectiveness of the International Drug Control Treaties: Supplement to the Report of the International Narcotics Control Board for 1994* (United Nations publication, Sales No. E.95.XI.5), paras. 50-62.

¹⁷See *Report of the International Narcotics Control Board for 1992* (United Nations publication, Sales No. E.93.XI.1), para. 216.

¹⁸*Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 1995 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (United Nations publication, Sales No. E.96.XI.4).

¹⁹*Report of the International Narcotics Control Board for 1994 ...*, para. 105.

²⁰*Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 1994 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (United Nations publication, Sales No. E.95.XI.1).

²¹*Report of the International Narcotics Control Board for 1994 ...*, paras. 101-122.

²²UNDCP/HONLAF/1994/5, para. 27.

²³UNDCP/HONLAF/1995, paras. 1 and 20.

²⁴*Report of the International Narcotics Control Board for 1994 ...*, para. 186.

²⁵*Report of the International Narcotics Control Board for 1992 ...*, paras. 25-28; *Report of the International Narcotics Control Board for 1993 ...*, para. 211; and *Effectiveness of the International Drug Control Treaties: Supplement to the Report of the International Narcotics Control Board for 1994 ...*, paras. 42-49.

²⁶*Report of the International Narcotics Control Board for 1994 ...*, para. 203.

²⁷*Ibid.*, paras. 200-205.

²⁸*Ibid.*, para. 251.

²⁹*Report of the International Narcotics Control Board for 1992 ...*, para. 238.

³⁰*Ibid.*, para. 199.

³¹*Report of the International Narcotics Control Board for 1994 ...*, para. 276.

³²*Report of the International Narcotics Control Board for 1993 ...*, para. 285.

³³*Report of the International Narcotics Control Board for 1994 ...*, para. 282.

³⁴*Ibid.*, para. 287.

³⁵*Ibid.*, para. 303.

³⁶*Report of the International Narcotics Control Board for 1993 ...*, paras. 298-300.

³⁷*Report of the International Narcotics Control Board for 1994 ...*, paras. 322-327.

Annex

CURRENT MEMBERSHIP OF THE INTERNATIONAL NARCOTICS CONTROL BOARD

Sirad ATMODOJO

Pharmacist. Assistant Instructor, Drug Dispensing Laboratory, Gajah Mada University (1955-1959). High-school teacher of Chemistry (1957-1959). Staff member, Directorate of Pharmaceutical Affairs, Ministry of Health of Indonesia (1959-1965). Director of Pharmaceutical Affairs, Ministry of Health (1965-1967). Director of Distribution, Directorate General of Pharmacy, Ministry of Health (1967-1975). Director of Narcotics and Dangerous Drugs (1975-1991), Secretary of the Directorate General of Food and Drug Control, Ministry of Health (1981-1987). Dean of the Faculty of Pharmacy (1987-1991), Second Vice-Rector (1991-1993) and First Vice-Rector (1994) of "17 Agustus 1945" University. Member of the International Narcotics Control Board (since 1987). Member of the Standing Committee on Estimates (since 1994) and Vice-Chairman of the Standing Committee on Estimates (1994).

Edouard Armenakovich BABAYAN

Graduate of the Second Moscow Medical Institute (1941). Professor, Doctor of Medical Science, Academician. Chairman of the Standing Committee on Narcotic Drugs Control of the Russian Federation (non-governmental). Expert of the World Health Organization (WHO). Vice-President of the International Council on Alcohol and Addictions. Author of over 200 scientific papers, *inter alia*, monographs and courses on drug control, published in many countries throughout the world. Winner of the E. Brauning international prize for valuable contribution to narcotic drug control; honorary member of the Purkine Society; and Honoured Physician of the Russian Federation. Head of the Russian delegation to the Commission on Narcotic Drugs. Chairman of the Commission (1977 and 1990). Member of the International Narcotics Control Board (1995). Member of the Standing Committee on Estimates (1995).

Hamid GHODSE

Professor of Psychiatry. Director, Regional Drug Problem Treatment, Training and Research Unit, and Director, Regional Drug and Alcohol Team, South Thames, Regional Health Authority, United Kingdom of Great Britain and Northern Ireland. Director, Centre for Addiction Studies, and Member of the Academic Board, the Council and the Joint Advisory Management Committee, St. George's Hospital Medical School, University of London. Chairman, Association of Professors of Psychiatry in the British Isles. Adviser, Joint Formulary Committee, British National Formulary. Member of the WHO Expert Advisory Panel on Drug Dependence and Alcohol. Chairman of the Substance Misuse Section, member of the Council and of the Court of Electors, Royal College of Psychiatrists, United Kingdom. Adviser, Health Advisory Service, National Health Service, United Kingdom. Editor of the *International Journal of Social Psychiatry* and of the *Substance Misuse Bulletin*. Member of the Editorial Advisory Board of *Addiction*. Fellow (since 1985) of the Royal College of Psychiatrists, United Kingdom. Fellow of the Royal College of Physicians, United Kingdom. Member, rapporteur and chairman of various WHO and European Community expert committees, review groups and other working groups on drug and alcohol dependence, in particular, convener of WHO expert groups on medical education (1986), pharmacy education (1987), nurse education (1989) and rational prescribing of psychoactive drugs. M. S. McLeod Visiting Professor, Southern Australia Postgraduate Medical Education Association (1990). Member of the International Narcotics Control Board (since 1992) and member of the Standing Committee on Estimates (1992). President of the Board (1993-1994).

Dil Jan KHAN

Bachelor of Arts, Bachelor of Laws and Master of Arts in Political Science. Secretary of the States and Frontier Regions Division (1990-1993), Secretary of the Interior Division (1990) and Secretary of the Narcotics Control Division (1990 and 1993-1994) of the Government of Pakistan. Commandant, Frontier Constabulary, North-West Frontier Province (NWFP) (1978-1980 and 1982-1983). Inspector General of Police, North-West Frontier Province (1980-1982 and 1983-1986). Additional Secretary, Ministry of Interior of Pakistan (1986-1990). Counsellor (1973-1978) and First Secretary (1972), Embassy of Pakistan, Kabul. Recipient of Sitara-i-Basalat, one of the highest awards for gallantry, awarded by the President of Pakistan (1990). President of the International Club, Kabul. Dean of the Counsellor/Administration Corps, Afghanistan. Member of the Asian-African Legal Consultative Committee. President of the Police Service of Pakistan Association (1993-1994). Patron of the non-governmental organization anti-narcotics society (1982-1983). Participant in the seminar on replacement of opium poppy cultivation, held at Bangkok (1978). Head of the delegation of Pakistan to the Executive Committee of the Office of the United Nations High Commissioner for Refugees (UNHCR) (1990-1993); the workshop of the UNHCR Asian-African Legal Consultative Committee (1991); the UNHCR meeting (1991); the Asian-African Legal Consultative Committee, New Delhi (1991); the World Food Programme Authority (1992); and the talks on relief assistance for Afghan refugees, Geneva and Washington, D.C. (1993). Head of the delegation of Pakistan to the Commission on Narcotic Drugs (1993 and 1994); the technical consultation between India and Pakistan, held at Vienna under the auspices of the United Nations International Drug Control Programme, on cooperation in drug control activities (1994); and the First Policy-Level Meeting on Technical Cooperation between Pakistan and India (1994). Member of the International Narcotics Control Board (1995). Member of the Standing Committee on Estimates (1995).

Gottfried MACHATA

Doctor of Philosophy (Ph.D.) in Chemistry (1951) and Professor (1968). Pharmaceutical and chemical industry scientist (1951-1954). Head of the Department of Chemistry, Institute of Forensic Medicine, University of Vienna (1955-1990). Court Expert in Forensic Sciences and General Chemistry (since 1955). Expert of the Disarmament Commission (1983-1985). Member of the Senate Commission of the German Research Organization. Author of more than 145 published works in the field of toxicology. Recipient of the International Widmark Award and the Jean Servais Stas Médaille. Recipient of the gold medal of honour for scientific research of the Republic of Austria. Member of the International Narcotics Control Board and member of the Standing Committee on Estimates (since 1992). Vice-Chairman of the Standing Committee on Estimates (1995).

Mohamed MANSOUR

Director of Training Institute Affairs Administration, former Director of Operation Administration, Drug Enforcement Administration, Ministry of Interior of Egypt. Teacher of trainees and officers in drug enforcement and criminal investigations, Police Academy, Cairo, and Arab Institute for Police Studies, Saudi Arabia. Recipient of Bachelor's degree in law and police science, training at the Drug Enforcement Administration, Washington, D.C. (1974 and 1978). Recipient of the Honour of El-Gomhoria (1977) and the Honour of El-Estehkak (1984). Participant in various conferences and meetings in the field of drug law enforcement. Member of the International Narcotics Control Board (since 1990) and Rapporteur (since 1992). Member of the Standing Committee on Estimates (1992 and 1993). First Vice-President of the Board (1995).

Bunsom MARTIN

Doctor of Medicine with postgraduate advanced training in Tropical Medicine. Long-time service as hospital, medical school and university official, in particular as Head of Department, President and Chairman of the University Board. Director-General of the Department of Physical Education. Active

participant in a variety of organizations, such as the Red Cross and the Scout Association. Chairman of the Committee for Prevention and Publicity of Drug Abuse for 22 years. Minister of Education (1982) and Minister of Health (1984) of Thailand. Member of the Standing Committee on Estimates (since 1993). Second Vice-President of the International Narcotics Control Board and Chairman of the Standing Committee on Estimates (1995).

António Lourenço MARTINS

Graduate in Law, University of Coimbra. Prosecutor (1965-1972); Judge (1972-1976); General Director of Judicial Police (1977-1983); and Deputy Attorney-General and member of the Consultative Committee of the Attorney-General's Office (since 1983). Government-appointed head of the working groups that drew up Portuguese anti-drug legislation (1983 and 1993); and coordinator of the computerization of the courts, as designated by the Minister of Justice of Portugal (since 1988). Lecturer on laws covering access to computer information at the Law Institute for Communications, Faculty of Law, University of Coimbra. Author of various articles on questions concerning drugs and electronic information, a collection of the main international and national contributions to the fight against drugs, with commentary. Participant in various meetings of the International Criminal Police Organization (ICPO/Interpol) General Assembly (1977-1982) and in various sessions of the Commission on Narcotic Drugs. Participant in working groups of the Pompidou Group of the Council of Europe and in various meetings of the European Anti-Drug Committee (CELAD). Head of the ad hoc group that established a framework for the creation of the European Monitoring Centre for Drugs and Drug Addiction (1992). Head of one of the groups in the seminar on policy strategies against drugs in Europe (1993). Member of the International Narcotics Control Board (1995). Member of the Standing Committee on Estimates (1995).

Herbert S. OKUN

International executive and ambassador. Executive Director, Financial Services Volunteer Corps, New York. Visiting Lecturer on International Law, Yale University Law School. United States Foreign Service (1955-1991). Special Assistant to the Secretary of State, Washington, D.C. (1969-1971). Vice-Chairman of the United States delegation to the SALT II negotiations and to the Trilateral Talks between the United States, the United Kingdom and the Union of Soviet Socialist Republics on a Comprehensive Test Ban Treaty (1978-1980). Ambassador of the United States of America to the German Democratic Republic (1980-1983). Deputy Permanent Representative and Ambassador of the United States of America to the United Nations (1985-1989). Special Advisor and Deputy to the Co-Chairman of the International Conference on the Former Yugoslavia (1991-1993). Member of the Group of Experts to advise and assist the Secretary-General on the enhancement of the efficiency of the United Nations structure for drug abuse control (1990). Member of the International Narcotics Control Board (since 1992).

Alfredo PEMJEAN

Medical Doctor (1968). Psychiatrist (1972). Clinical practice in psychiatry units of general hospitals (1972-1989). Head of Service of Clinical Psychiatry, Hospital Barros Luco-Trudeau of Santiago de Chile (1975-1981). Instructor in undergraduate and postgraduate programmes, Faculty of Medicine, University of Chile (since 1975). Head of the Department of Mental Health and Psychiatry, Faculty of Medicine, Campus South, University of Chile (1976-1979 and 1985-1988). Professor of Psychiatry, University of Chile (since 1979). Professor of Psychiatry, School of Psychology, Universidad Católica de Chile (since 1983). Head of the Mental Health Unit, Ministry of Health of Chile (1990-1995). President of Sociedad Iberoamericana para el Estudio del Alcohol y las Drogas (1986-1990). Professor in the Magister Program entitled "Public Health, Mention in Mental Health", School of Public Health, University of Chile. Member of the International Narcotics Control Board (1995).

Manuel QUIJANO

Doctor of Medicine. Practising surgeon for 35 years at a teaching hospital. Professor of a three-year postgraduate course in general surgery. Scientific counsellor to the Mexican delegation to the United Nations Educational, Scientific and Cultural Organization (1980-1983). Director of International Affairs, Ministry of Health of Mexico. Member of the Executive Board of the World Health Organization and Chairman (1988-1989). Member of the International Narcotics Control Board and member of the Standing Committee on Estimates (since 1992). First Vice-President (1993) and Rapporteur (1995) of the Board.

Oskar SCHROEDER

Lawyer and administrator. Doctor of law. Public Prosecutor (1957). Director-General, Inland Revenue and Tax Auditing Unit in the Financial Administration of North Rhine-Westphalia (1957-1964). Ministry for Youth, Family Affairs, Women and Health of the Federal Republic of Germany (1965-1989): Personal Secretary to the State Secretary and Head, Budget Division and several Divisions of Health Legislation (1965-1973); Head, Division for Legislation on Narcotic Drugs (1973-1982); and Director-General for Family Affairs and Social Welfare (1982-1989). Head of the delegation of the Federal Republic of Germany to the Commission on Narcotic Drugs (1973-1982) and Chairman of the Commission (1980). Chairman of the Commission for Social Development (1989). Member of the International Narcotics Control Board (since 1990). Member of the Standing Committee on Estimates and Chairman of the Budget Committee (1990). President of the Board (1991, 1992 and 1995).

Elba TORRES GRATEROL

Lawyer. Central University of Venezuela (1959). Adviser on drug-related matters, Ministry of Foreign Affairs of Venezuela (1985-1994). Director for Social Protection, Office of the Attorney-General of the Republic (1971-1981); representative of the Department of Public Prosecution to the Drug Abuse Control Commission (1971-1981); member of the commission to prepare a preliminary draft law on narcotic drugs and psychotropic substances (1974-1984); and Adviser, Department of Crime Prevention, Ministry of Justice (1982-1983). Member of the Venezuelan delegation to the Commission on Narcotic Drugs (1985-1993). Participation in the intergovernmental expert group meetings to consider the draft convention against illicit traffic in narcotic drugs and psychotropic substances (1986-1988); the United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988); meetings of the group of experts designated by the Inter-American Drug Abuse Control Commission (of the Organization of American States) to draft model regulations on the laundering of assets derived from illicit drug trafficking (1990-1992); and the first meeting on the implementation of articles 5 and 7 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (1993). Head of the Venezuelan delegation at the meeting convened at Panama City by the Inter-American Drug Abuse Control Commission to analyse the problem of money-laundering regulations (1993). Member of the International Narcotics Control Board (1995). Member of the Standing Committee on Estimates (1995).

THE ROLE OF THE INTERNATIONAL NARCOTICS CONTROL BOARD

The responsibilities of the International Narcotics Control Board under the international drug control treaties are to endeavour, in cooperation with Governments, to limit the cultivation, production, manufacture and use of narcotic drugs to the amounts required for medical and scientific purposes, to ensure that the quantities of those substances required for legitimate purposes are available and to prevent illicit drug cultivation, production, manufacture, trafficking and use. Since the entry into force of the Convention on Psychotropic Substances of 1971, the functions of the Board also include the international control of such drugs. Moreover, with the entry into force of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, the Board has specific responsibilities related to the control of substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances, as well as the assessment of such substances for possible change in the scope of control of that Convention. Under the provisions of the 1988 Convention, the Board also reports annually to the Commission on Narcotic Drugs on the implementation of article 12 of that Convention.

The Board is required, in carrying out these responsibilities, to investigate all stages of the licit trade in narcotic drugs; to ensure that Governments take all the requisite measures to limit the manufacture and import of drugs to the quantities required for medical and scientific purposes; to see that precautions are taken to prevent the diversion of those substances into the illicit traffic; to determine whether there is a risk that a country may become a major centre of the illicit traffic; to ask for explanations in the event of apparent violations of the treaties; to propose appropriate remedial measures to Governments that are not fully applying the provisions of the treaties or are encountering difficulties in applying them and, where necessary, to assist Governments in overcoming such difficulties. The Board has therefore frequently recommended, especially since the adoption of the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol, that multilateral or bilateral assistance, either technical or financial, or both, should be accorded to a country experiencing such difficulties. If, however, the Board notes that the measures necessary to remedy a serious situation have not been taken, it may call the matter to the attention of the parties, the Commission and the Economic and Social Council in cases where it believes that that would be the most effective way to facilitate cooperation and to improve the situation. As a last resort, the international drug control treaties empower the Board to recommend to parties that they stop importing drugs from the defaulting country, exporting drugs to it or both. Naturally, the Board does not confine itself to taking action only when serious problems have been discovered; on the contrary, it seeks to prevent major difficulties before they arise. In all cases the Board acts in close cooperation with Governments.

If the Board is to be able to perform its task, it must have the relevant information on the world drug situation as regards both licit trade and illicit traffic. Consequently, the international drug control treaties stipulate that Governments shall regularly provide the Board with such information; almost all Governments, parties and non-parties alike, are conforming to this practice. Accordingly, in cooperation with Governments, the Board administers the system of estimated world requirements of narcotic drugs and the system of statistics on narcotic drugs. The first of these systems enables the Board, in analysing future licit requirements, to verify in advance whether these requirements are reasonable; and the second enables it to exercise *ex post facto* control. Finally, the information on illicit traffic that is communicated to the Board either directly by Governments or through the competent organs of the United Nations system enables the Board to determine whether the aims of the 1961 Convention are being seriously endangered by any country and, if necessary, to take the measures described in the preceding paragraph.

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