



CITES Modernisation  
Summary

# The Urgent Need to Modernise CITES

*Prepared by Nature Needs More Ltd and For the Love of Wildlife Ltd, Australia*

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## Background

CITES is the UN Convention that regulates the international trade in endangered flora and fauna. It was drafted in 1973 and came into force in 1975. Today CITES has 183 signatories (182 countries plus the EU) who are Parties to the convention.

It is estimated that the legal trade under CITES is worth around US\$320bn per year. CITES lists ~1,000 species on Appendix I (no commercial trade allowed) and over 34,000 species on Appendix II (trade restrictions are applied).

**CITES uses a ‘direct’ listing model, meaning the default position is unrestricted trade.** Because of the global decline in populations this means the number of listed species is rising constantly, making enforcement ever more difficult and costly for national governments.

## The Problem

CITES still uses the original, paper-based permit system conceived in 1975, when the volume of trade was ~US\$2bn. This permit system does not integrate with customs, making permit verification and shipment validation impossible. These loopholes enable the rampant illegal wildlife trade, which has been recently estimated, by the World Customs Organisation, to be worth as much as US\$258bn; making the value of the illegal trade to be in the region of 80% of the value of the legal trade.

Further, CITES listings depend heavily on the availability of reliable trade and shipment data, but its data collection system is completely out of date. Because of the lack of integration with customs, permit data cannot be verified. Parties submit trade data only once a year and often late or not at all. The data quality in the CITES trade database is so bad, that a recent study found only 7.3% of trade records were accurate; and the discrepancies have been increasing over time.

Finally, the businesses that profit from the trade under CITES, such as luxury brands using crocodile and python skins only pay token amounts for their permits. The burden of proof for listing species on CITES appendices lies entirely with (mainly developing) range countries and NGOs.

## The Solution

CITES needs to be modernised to cope with the vastly increased volume of the legal trade and to close the loopholes used by the burgeoning illegal trade. This requires:

1. A global roll-out of an electronic permit system to all 183 parties. Such a system is available (called aCITES, created by UNCTAD) free of charge, but the global cost of implementation is still about US\$20-40 million due to equipment, training and integration costs.

2. In the first instance, a levy or similar on industry (importers, not exporters) to cover the cost of rolling out the electronic permit system globally and to create and maintain a real-time reporting system.
3. Using the aforementioned levy or similar on industry (importers, not exporters) to address the equity issues that are currently inherent in the cost of managing and enforcing the convention.
4. Considering a switch to the 'reverse' listing system originally proposed by Australia in 1981. Under this system the default position is no commercial trade and the burden of proof that trade is sustainable shifts from governments and NGOs to industry. This does not mean that industry will dictate the framework and criteria for what constitutes 'ecologically sustainable use' and what can be traded. Listings would still be subject to a vote at CoP, in line with current process.

### **Immediate Opportunity**

The next CITES Conference of the Parties (CoP18) is in Geneva in late August 2019. The opportunity exists for 4-5 countries to raise our proposals to modernise CITES for discussion, under Agenda Item 11 (Strategic Matters – Review of the Convention). Two CITES signatories have indicated they would be prepared to do so, provided other countries agree to join in; there is also a preference that a significant wildlife range country (a country where poaching is a significant threat) takes the leads role in this group of 4-5.

Other signatory countries say they are open to such a discussion. To-date this concept has been introduced to over 25 CITES signatory countries and the European Commission.

To support any signatory country which is considering our proposals and would be willing to start or join a discussion at CoP18, under Agenda Item 11, on the modernisation of CITES, we have created three information documents:

1. CITES Modernisation Part I – Electronic Permit Implementation Via Cost Recovery
2. CITES Modernisation Part II – Reverse Listing
3. CITES Modernisation Part III – Industry Contributing To The Costs Of Trade

Discussions at CoP18 could then lead to the creation of one or more Working Groups to study the proposed solutions and report back to the next Standing Committee meeting.

In years to come this CITES modernisation project could become a point in history where a significant step forward was achieved to protect the world's precious flora and fauna, in the same way that we recognise the Paris Agreement, the Rio Declaration, the Kyoto Protocol, Copenhagen Accord and Addis Ababa Principles.

## **Contacts**

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We will be attending the upcoming CITES Conference of the Parties (CoP18) in Geneva in late August 2019