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# **Three Steps To Modernise CITES**

Whilst much is being reported on the rampant illegal trade in wildlife, too little attention is paid to the massive flaws and loopholes in the legal trade system that enable the traffickers. CITES (the UN Convention on the International Trade in Endangered Species in Wild Flora and Fauna), which regulates the legal trade, has been in place since 1975 but has not been modernised and still uses a completely outdated (paper-based) permit system.

In the years that we have been taught to be agile and nimble, to constantly adapt to changing economic situations, one trade system has languished in the 1970s; namely the legal trade in endangered species. The system that monitors the trade in endangered species under CITES uses a stand-alone, mostly paper-based, system that doesn't integrate with customs. It is obsolete, couldn't pass the most basic audit, and is not fit-for-purpose.

This legal trade monitoring system is so out-of-date that it is enabling the illegal trade to flourish, as traffickers launder illegal product into the legal marketplace. The estimated scale of the illegal trade in endangered flora and fauna, as stated in the 2017 World Customs Union Illegal Trade Report, is as much as US\$258 billion annually. The same report highlights that it is growing at 2-3 times the pace of the global economy. Wildlife and the natural world are losing, and losing fast.

But an immediate solution to these problems is equally well-known and has been available for some time. Since 2010 CITES and its signatory countries have been discussing an electronic permitting system fully integrated with both the CITES Appendix listings and customs systems, but no one has been willing to pay the US\$40 Million to roll it out globally. Such a system is available, and it addresses both the security issues with stand-alone paper permits and the automated generation of trade reports. In addition, it provides integration with customs, traceability and quota control which would make it much harder to launder illegal products into the legal marketplace. It is the first step in modernising CITES being called for by 2 Australian based NGOs, Nature Needs More Ltd and For the Love of Wildlife Ltd.

Dr Lynn Johnson, Founder of Nature Needs More Ltd, said "In a recent meeting with a CITES official in Switzerland he said to us – the electronic permitting system would really help, we wish someone like a Bill Gates or another foundation would cover the cost of rolling out the system". "We were surprised at this comment" Dr Johnson said, "Reminding the official that CITES is a trade convention, not a conservation convention; why aren't the companies that profit from trade being asked to cover this cost of trade?".

And the profits made from the legal trade in endangered flora and fauna are huge, a 2012 UK parliamentary report estimated the legal trade in endangered spices to be US\$320 Billion (yes that's a B) annually. "So, you wouldn't think it would be a problem to invest US\$40 Million to roll out an up-to-date global monitoring system." said Donalea Patman OAM, Founder of For the Love of Wildlife Ltd.

These two organisations haven't stopped there; they acknowledge this is just one step in the CITES modernisation process, but it is a vital first step.

Over recent months they have called on more than 25 countries to support a proposal in modernising CITES and they been very pleased with the level of interest and engagement for the 3-step process they have suggested:

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

As far back as 1981 Australia proposed a reverse listing to CITES, which means that only species that are approved for trade are able to be traded. The Australian proposal was not adopted at the time, as only 700 species were then listed. Today nearly 36,000 species are listed by CITES with numbers projected to rise in coming years. A reverse listing is used for pharmaceuticals, the industry pays all the cost up-front to show that new drugs will be safe for humans before they can go onto the market.

As is the case in many other highly regulated industries, Nature Needs More and For the Love of Wildlife also propose that industry pays. Even a 1% levy on the US\$320 billion of legal trade will give the convention an \$3 billion a year and with that it could easily build a better infrastructure to manage trade. Both NGO's were also shocked to discover the poor amount of core funding CITES receives — US\$6 million a year to cope with the enormous trade.

CITES meets every 2.5-3 years with the next convention being held in Geneva mid-August; both Nature Needs More and For the Love of Wildlife will be attending. Wildlife cannot wait another 3 years using this outdated and antiquated system. It is literally being traded into extinction and we ask for immediate political will.

#### **About Nature Needs More**

Nature Needs More Ltd, ABN 85 623 878 428, is a registered charity in Australia with the Australian Charities and Not-for-profits Commission.

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#### About For the Love of Wildlife

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# **FACT Sheet CITES**



- Information on the US\$320 Billion of the legal trade can be found via: https://publications.parliament.uk/pa/cm201213/cmselect/cmenvaud/140/140.pdf
- 2. Information on the estimated scale of the illegal trade can be found via the 2017 World Customs Union Illegal Trade Report. Furthermore, this report highlights that the estimated profit from the illegal trade in flora and fauna to be between \$91-258 billion USD per year, and stated, this is an amount that is, according to the United Nations Environment Programme, growing at 2-3 times the pace of the global economy.
- 3. Finally, the information on CITES core funding can be found via the link: https://www.cites.org/eng/disc/fund.php