

# A Blueprint For Fixing CITES

Immediate Steps For Discussion At CITES CoP19  
To Ensure CITES Is Effective



NATURE NEEDS MORE



# The Urgent Need To Modernise CITES

When CITES was conceived in the 1960s the international trade in wild flora and fauna was small and governments were the primary powers in international trade. Total global exports, for **all** trade, were worth US\$318billion in 1970 compared to US\$2trillion in 2020. In contrast, today the global trade in wild species is worth over US\$350billion annually, more than the overall value of all global trade when the CITES was conceived.

The total illegal trade in wild species (including illegal fishing) is estimated at between US\$100-250billion annually, far larger compared to the value of the legal trade than in comparable industries that are highly regulated.

The CITES convention is rapidly approaching its 50-year anniversary; the convention was opened for signatures in 1973 and CITES entered into force on 1 July 1975. **This milestone cannot pass without CITES providing all the evidence that it is fit-for-purpose, particularly given the looming extinction crisis.**

It has been consistently stressed that CITES has a narrow focus, to regulate the international trade in certain species to ensure the trade is legal and not detrimental to the survival of that species. It has been said that CITES uses trade related measures to achieve conservation objectives. Even with this 'narrow' mandate there is ample evidence that CITES has failed its objective. So, what can we expect under the current model in the future?

With most funding to regulate and monitor the legal trade coming from signatory governments and with government budgets under severe pressure worldwide, there is little prospect of a massive increase in total funding to better enforce CITES. Without such a massive funding increase, the 2030 CITES Strategic Vision is not achievable.

CITES lacks a funding mechanism to support developing countries, which tend to be the main countries where extraction of biomass happens today. This lack of funding makes it impossible to achieve the desired proof of sustainability of extraction and adequate enforcement outcomes.



CITES processes can no longer adequately cope with over 38,500 listed species. The lack of funding means that in its current form CITES will continue to fail the vast majority of listed species. **Listing more species does not lead to better conservation outcomes if funding does not increase in proportion to the number of species listed.**

The amount of funding available to combat the illegal trade is miniscule compared to other transnational crimes, and reliant on government and philanthropic funding. The World Bank Group estimated that just US\$260million was made available annually to fight an illegal trade worth at least US\$100billion annually.

With government and philanthropic funding unlikely to increase significantly, it is therefore inconceivable that CITES in its current form can achieve its primary vision for 2030 without having businesses contribute to the cost of regulation. Such a move would bring this trade in line with other regulated industries where businesses are required to pay fees commensurate with regulatory costs.

This document outlines urgent measures that can be adopted by the Conference of the Parties to vastly improve the effectiveness of CITES without the need to renegotiate the articles of the convention. **The Short-Term Priorities highlighted, which are possible under the current model, should all be implemented by CITES 50<sup>th</sup> year of enforcement in 2025. Only with this can CITES retain any form of relevance and credibility in line with its stated objective and primary vision for 2030.**

# 1

## Fix The Funding Crisis

### A Blueprint For Fixing CITES



CITES never included a funding model to enable all signatories to adequately resource scientific research, monitoring and enforcement. Far too many signatory countries still lack the mandated scientific authority or a dedicated enforcement authority. **Whilst creating a dedicated enforcement authority is optional under CITES, the illegal trade is rampant and growing 2-3 times faster than the world economy overall.** This makes CITES effectively a paper convention, impoverished to the point of being useless. The lack of basic population data for most species makes the idea of 'sustainable use' meaningless, as evidenced by the 2019 IPBES Global Assessment Report.

Government pledges for extra funding are miniscule, inadequate and often not even honoured. To become effective with the current volume of trade the CITES needs a secure, ongoing source of funding, which can only come from the businesses profiting from the trade. Businesses cover the cost of regulation in other industries and the trade in wild species is vastly profitable at the final product end of the value chain. **It is possible to implement a 'Business Pays' funding model, even under the current articles of the convention.**

#### RECOMMENDATIONS

##### Short-Term Priorities:

1. Apply A 1% Levy To Imports To Major Import Markets
2. Create A Register Of Businesses Trading Under CITES
3. Reverse The Burden Of Proof

##### Medium-Term Objective:

Business Pays The Full Cost Of Regulating All CITES Trade

# 1

## Fix The Funding Crisis

### A Blueprint For Fixing CITES

#### 1.1 A 1% Levy On Imports To Major Markets

A substantial increase in funding for CITES monitoring and enforcement can only be achieved by having the businesses that profit from the trade contribute to the cost of regulation. This is common practice in many industries and can be implemented under CITES in an equitable way by means of a 1% levy on imports to the main import markets (US, EU, China/HK, Japan, UK). An equivalent amount to what is raised could then be contributed by these parties to the **CITES External Trust Fund**.

#### 1.2 Register Of Businesses Trading Under CITES

Establishing a Business Register of companies that trade CITES listed species would improve transparency, data collection and can be used to levy fees for scientific research and trade reviews. Registrations for businesses trading in live animal species or in CITES listed species with revenue above a minimum threshold should attract fees commensurate with annual revenue. Signatories should be encouraged to pass national legislation to make such registration mandatory.

#### 1.3 Reversing The Burden Of Proof

Currently the burden of proof regarding the sustainability of trade lies with government departments, IGOs, academic institutions and NGOs which collectively lack the funding to adequately monitor populations and the trade in over 38,500 listed species. Funding further suffers from 'iconic/relatable species bias'.

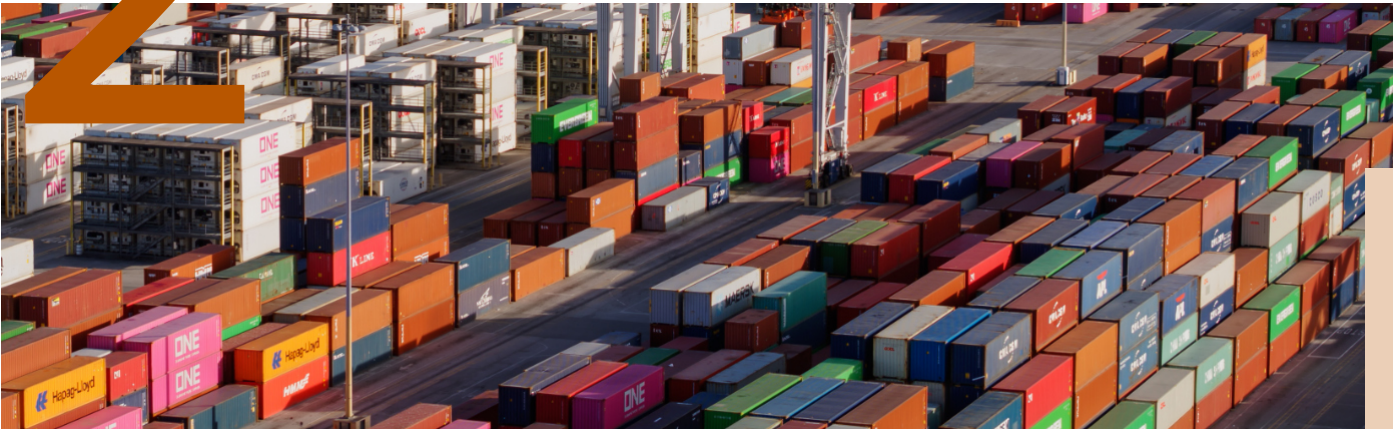
Whilst reversing the burden of proof is not possible without a transition to a reverse (positive) listing model, the businesses most profiting from the trade should be asked to make a meaningful contribution to data collection and scientific studies that underpin Non-Detriment Findings and Reviews of Significant Trade.





# 2 Improve Monitoring, Traceability And Analytics

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The current system of trade monitoring for CITES is based on assumptions made 50 years ago and has never been updated to be fit for globalisation and instant access to information across the world. CITES lives in the dark ages of paper-based permits and a trade database that suffers from late, erroneous, inconsistent and irreconcilable data. CITES does not collect price data and its permit system makes it impossible to derive the actual number of animals and plants contained in a shipment. There is no end-to-end traceability, which makes laundering illegal items into legal supply chains laughably easy.

**The whole trade monitoring system for CITES needs to be drastically overhauled to become fit for the 21<sup>st</sup> century and a global trade worth hundreds of billions of dollars annually.** All countries need to urgently implement electronic permit systems and interoperability with customs. Traceability measures need to be introduced for high-value products such as exotic leathers. The trade database needs to be redesigned for real-time reporting, to capture price data and volume/weight measures for all permits and, in some cases, include images with the electronic permit. Import reporting needs to be mandatory to enable reconciliation of trade between countries.

## RECOMMENDATIONS

### Short-Term Priorities:

1. Global Rollout Of Electronic Permitting
2. Trade Analytics Reporting
3. Source To Destination Tracking
4. Increase Reviews Of Significant Trade

### Medium-Term Objective:

Real-Time Trade Monitoring By  
Central Authorities

# 2 Improve Monitoring, Traceability And Analytics

## A Blueprint For Fixing CITES

### 2.1 Global Rollout Of Electronic Permitting

The current CITES permit system is no longer fit for purpose. Urgent adoption of electronic permits, such as by using the eCITES BaseSolution developed and maintained by UNCTAD is a critical first step to achieve a modern trade monitoring and reporting system. Funding of approximately US\$25million will be required to support countries unable to pay and can be raised via the mechanisms proposed under Point 1.

### 2.2 Trade Analytics Reporting

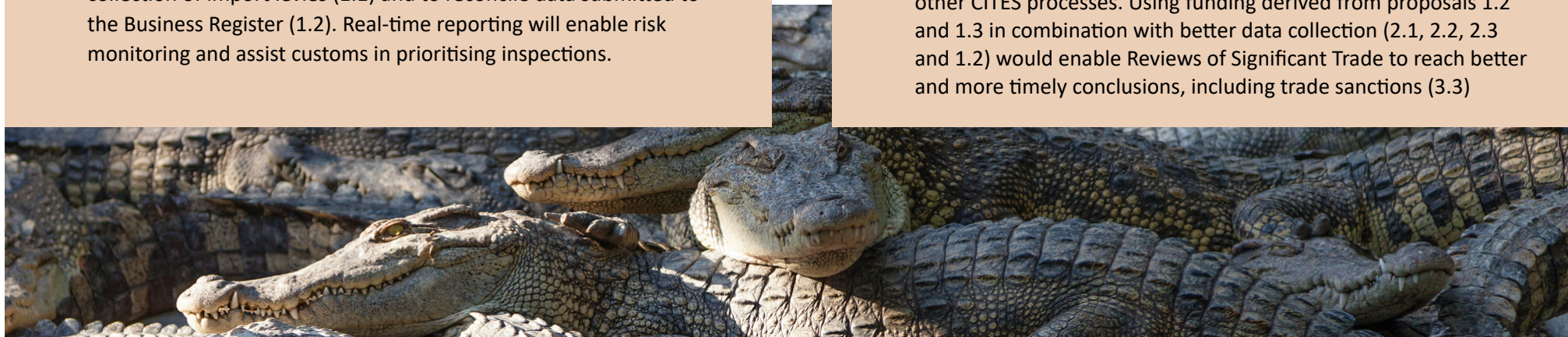
CITES regulates the legal trade in endangered species, but its reporting system is completely inadequate to the task. Reporting needs to be in real time, integrated with customs and it needs to capture data that allow the measurement of population impact for wild species. Units needs to be made meaningful and consistent for this purpose. CITES also needs to capture value data to allow the collection of import levies (1.1) and to reconcile data submitted to the Business Register (1.2). Real-time reporting will enable risk monitoring and assist customs in prioritising inspections.

### 2.3 Source To Destination Tracking

Other than the tagging of crocodilian skins, CITES currently does not implement any form of source to destination tracking, which should become mandatory for high-value products (exotic leathers and furs, ivory etc.) and all Appendix I listed species. Mechanisms for how to do this have been discussed extensively and viable options have been developed that follow global standards (barcodes or QR codes). Funding could be derived from the Business Register fees for these species (which could be higher than standard fees).

### 2.4 Increase Reviews Of Significant Trade

Reviews of Significant Trade in theory provide a powerful mechanism to ensure that the trade in a species is legal and sustainable. In practice only a handful of reviews are conducted at any one time and the analysis and conclusions suffer from the same lack of funding and of reliable and current trade data as all other CITES processes. Using funding derived from proposals 1.2 and 1.3 in combination with better data collection (2.1, 2.2, 2.3 and 1.2) would enable Reviews of Significant Trade to reach better and more timely conclusions, including trade sanctions (3.3)



# 3 Enable Effective Enforcement In All Countries

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Without proper enforcement **CITES remains only a convention on paper** and the illegal trade continues to grow unchecked. Relying on the WCO or UNODC or creating separate bodies, such as the ICCWC, are indicative of a lack of strategy to tackle the illegal trade. Better monitoring and enforcement need to be a priority for all countries to keep the trade sustainable and to stop the overexploitation of species. The lack of funding and lack of interest from the general public are convenient excuses that should not form the basis of policy.

CITES can only become successful in tackling the looming extinction crisis if it has both the funding and the institutions to properly monitor the trade and enforce its rules. **At a minimum that means using the import levy discussed above (1.1) to finance monitoring and enforcement in all signatory countries based on export volumes.** Today CITES has 184 signatory parties, of which 85 do NOT have an Enforcement Authority. All countries need to have a dedicated enforcement authority and the necessary funds to prosecute wildlife crime. The import levy discussed (1.1) can also be used to create a Prosecution Fund.

## RECOMMENDATIONS

### Short-Term Priorities:

1. Dedicated Enforcement Authority
2. Enforcement Fund
3. Prosecution Fund
4. Targeted Trade Sanctions

### Medium-Term Objective:

Central Authorities To Regulate And  
Enforce The CITES Trade



# 3 Enable Effective Enforcement in All Countries

## A Blueprint For Fixing CITES

### 3.1 Dedicated Enforcement Authority

CITES in its current form does not mandate a dedicated enforcement authority and 85 of the 184 signatories do not have an enforcement authority at present. Given that the police and customs in most countries consider wildlife crime a very low priority, having a dedicated authority to enforce CITES rules is absolutely necessary. Resourcing enforcement authorities means an **Enforcement Fund** will need to be created from the import levy discussed under 1.1. This Enforcement Fund can support the many signatory countries who lack the means to create such an enforcement authority.

### 3.2 Prosecution Funding For Wildlife Crime

A dedicated enforcement authority is only as useful if the country also has the ability to prosecute offenders effectively. That means having strong laws on wildlife crime, tough sentences and the ability of prosecution services to bring cases to court. That requires funding for evidence collection and putting cases together. It also requires funding to establish, for example, the origin of specimen or for dating samples. A **Prosecution Fund** should be derived from the import levy under 1.1.

### 3.3 Targeted Trade Sanctions

CITES has the ability to impose trade sanctions, but currently these sanctions are targeted at countries, which is known to be an ineffective sanction mechanism. It would be much better to target sanctions at the people and businesses involved in any illegal activities, as is commonplace today. Such a mechanism would involve numerous signatory countries acting in unison and would likely require establishing a dedicated CITES committee to recommend such action.





# 4

## SULi Is NOT Part Of The Convention

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### Short-Term Priorities:

Decouple Conservation Objectives  
From Poverty Alleviation

Recent years have seen an increasing focus on Sustainable Use and Livelihoods (SULi) on the committee and CoP agendas of CITES. While indigenous peoples and local communities have a right to be at the table as observers, poverty alleviation is not the role of CITES. Given the lack of proof of the sustainable use model and the fact that industries and businesses have provided no evidence that they understand what constitutes sustainable offtake levels in their supply chains, **poverty alleviation and conservation must be decoupled. CITES must not be captured by this issue.**

The proposals to CITES CoP19 to give indigenous communities a greater status in CITES decision making than other stakeholder groups point to a concerted agenda. This can be interpreted as covering up the fact that CITES has failed its objective of properly regulating the international trade to ensure the trade is legal and not detrimental to the survival of listed species. It can also be interpreted as an attempt to undermine scientific decision making to give business interests a greater say via local community proxies.

**There are a great number of NGOs, IGOs and government bodies already working on poverty alleviation and development aid. The World Bank and UNCTAD were created for this very purpose, not CITES.**

Similarly, impoverished communities living close to wild species should not be used in the political agendas and power plays of those who simply want to maintain the trade in endangered species. Businesses exist to make a profit, they are not in the business of poverty alleviation. Other mechanisms (such as creating a wealth tax and providing a universal basic income) are needed to overcome income and wealth inequality.

Indigenous peoples and local communities should have a say on the use of natural resources and they should have had a say from the beginning but CITES is not the forum to elevate an indigenous vote beyond the other stakeholders invested in regulating this trade. It is domestic politics and the regulation of business at a national level that are required to ensure more equality in the distribution of wealth from the use of a country's natural resources.

A key first step the international community can make to support poverty alleviation and a more even distribution of wealth is to **close down all mechanisms allowing capital flight from countries rich in biodiversity to global secrecy jurisdictions.**

# 5 Positive Lists For The Live Animal Trade

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CITES has a narrow focus on sustainability and preventing extinction, but it is the only convention that can be adapted to better regulate the trade in live animals which is critical to prevent future pandemics. The likelihood of new zoonotic diseases emerging is both high and high-risk. The cost of the COVID pandemic stands in no relation to the relatively miniscule costs of better managing the trade in live animals, which poses the highest risk for future pandemics.

CITES should be augmented with a protocol to adopt a positive (reverse) list approach to the trade in live animals, which would force businesses wanting to trade in these animals to shoulder the burden of proof in relation to legality, sustainability and safety for human health. Businesses should pay for the cost of regulation under such a model, with the costs being borne by those who profit the most in the value chain.

This would not only impact the exotic pet trade, but also the trade in live animals for food, medical research and zoos/aquariums. Different aspects of the live animal trade will have different risk profiles for human health and new zoonotic diseases emerging, and will need to be regulated accordingly. That can only be done under a positive lists model in combination with trade sanctions/suspensions aimed directly at the businesses involved in the trade. Nature Needs More described how such a model could work in our **Modernising CITES Report**, published in June 2021.

## RECOMMENDATIONS

### Short-Term Priorities:

Adopt A Protocol To Use Positive Lists  
For The Trade In Live Animals

### Medium-Term Objective:

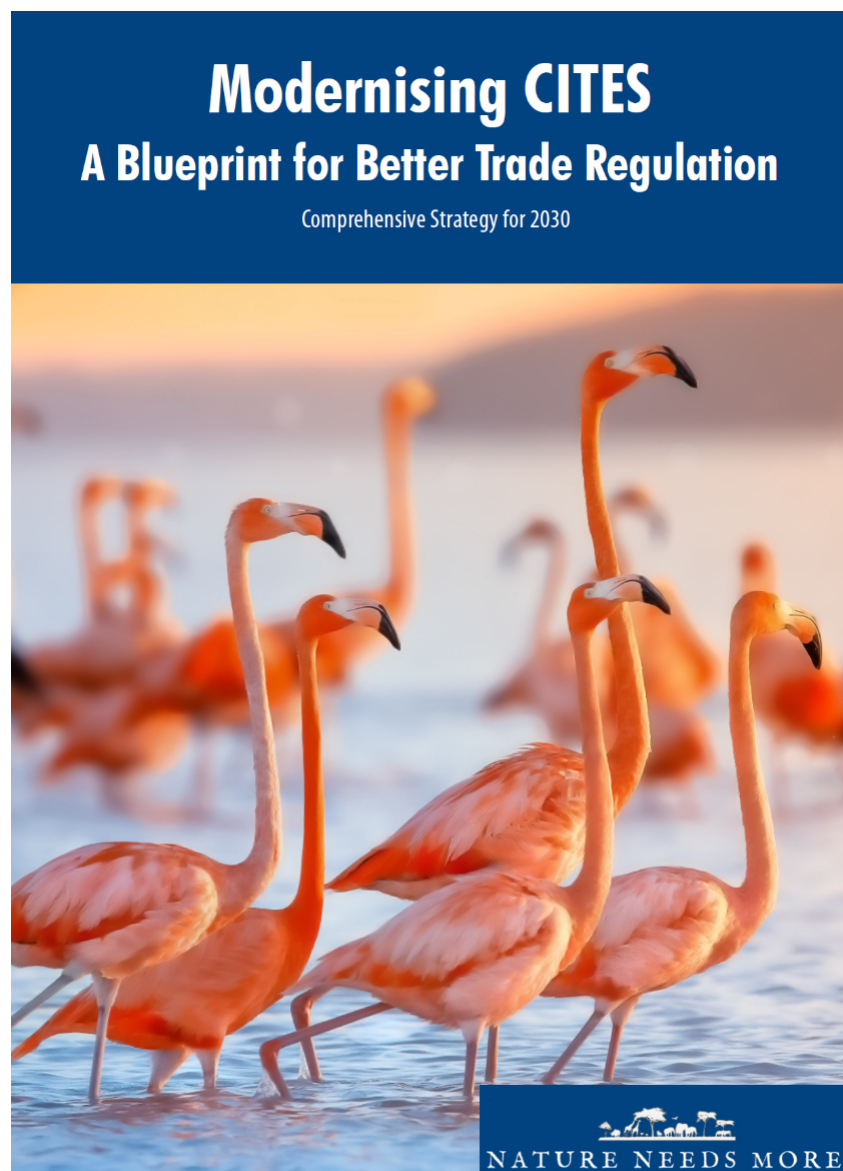
Move The CITES Listing Model To  
Positive Lists Based On The  
Precautionary Principle





# Full Report on Modernising CITES

<https://natureneedsmore.org/reports/>



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Nature Needs More works on tackling the key systemic enablers of biodiversity loss, including unconstrained consumer demand for products made from wild species and the significant deficiencies in the legal trade system under CITES. **Currently, the legal and illegal trade are so intertwined that they are functionally inseparable.**

The legal trade has been allowed to fly under the radar for decades. The landmark May 2019 IPBES report into the global extinction crisis confirmed that direct exploitation for trade is the most important driver of decline and extinction risk for marine species and the second most important driver for terrestrial and freshwater species.

To stop the extinction crisis we need to form a new relationship with the natural world.

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