

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA

Fiftieth meeting of the Standing Committee
Geneva (Switzerland), 15-19 March 2004

Interpretation and implementation of the Convention

EXPORT QUOTAS

The attached document is being circulated at the request of the Management Authority of the United States of America in relation to agenda item 22 on Export quotas.

Specific problems identified for nationally reported export quotas for Appendix-II species

Permit issuance

1. In order for an export quota system to function smoothly permits must be properly issued. Irregularities in permit issuance undermine cooperative efforts among Parties, and can create negative conservation impacts and law enforcement problems. In reviewing the WCMC report on trade in quota species for 1999, the following areas appear to cause problems.
 - a) Source codes: Most quotas reported designate specific sources for the specimens in trade (e.g. wild, captive-bred, etc). However, some exporting Parties issue permits or report trade for species covered by quotas using source codes that are not included in their quota. For example, when a quota is for wild specimens, inappropriately some Parties issue permits with other codes (F, C, and/or R), without applying the permit towards the quota. When importing Parties report the trade, source codes may become confused and annual export quota excesses appear to exist if importing countries report only the source codes listed in the quota, rather than on the permits accompanying shipments.
 - b) Permit re-issuance: Permits are often re-issued for a variety of administrative reasons (e.g. lost permits). However, annual reports of exports are often based on the original permit, and then reported again based on the re-issued permit. Additionally, some Parties excessively re-issue permits. This not only creates an avenue for fraud and abuse, but a situation in which trade of species under export quotas may be over-reported based on multiple, redundant permits.
 - c) Delayed or premature permit issuance: Some Parties have counted permits issued in one year based upon export quotas of the previous year, or from the forthcoming year.
 - d) Pet permits: Some Parties appear to have issued permits for the export of wild-collected pets of species covered by a quota for wild specimens without reporting the trade against the quota.
 - e) Coordination: There are Parties that allow the issuance of permits from multiple Management Authority offices. At times these offices lack the necessary coordination to ensure that permits are not issued in excess of the set quota.
 - f) Species' names: There have been cases where invalid scientific names are used on permits, such as when a permit is issued at the species level, for elevated sub-species. This creates a situation in which trade may not be counted or reported against the higher taxa quota. It may also lead exporting countries to issue permits in excess of the set quota for a particular species.

Interpreting quotas

2. In reviewing WCMC's 1999 report, it appears that many Parties and the Secretariat interpret quota implementation and enforcement requirements differently. A possible reason

for these differing interpretations is almost certainly the lack of written guidelines for setting and implementing quotas. Based on our observations and the WCMC report, some of the problems are highlighted here.

- a) Unclear language: Parties have transmitted quotas with inappropriate or unclear terms describing specimens. The use of terms such as 'non-productive', which has no meaning in the CITES context, or 'ranching', a term applicable only to species transferred from Appendix I to II, can cause confusion.
- b) No source given: Parties have transmitted quotas to the Secretariat without indicating the source of the specimens, such as wild-caught or captive-bred. While many Parties would interpret a lack of source to indicate wild-caught specimens, Parties might allow the export of captive-bred specimens with the impression that they are not covered under the quota. Or the reverse, Parties might not allow the import of captive-bred specimens.
- c) Sub-species permits under species quota: In 1999, one Party reported a quota at the species level, but issued export permits for species and subspecies. Reporting this trade, the Party did not record exports of the subspecies against the quota, thus, creating a situation where the reported quota was exceeded.

Monitoring the use of quotas

3. "Guidelines for the preparation and submission of CITES annual reports" (Notification to the Parties No. 1999/85 of 5 November 1999) provides guidance on the preparation and submission of annual reports. The document provides instructions on the principles, format, terminology and submission of annual reports, but is not intended to give specific guidance on the monitoring of trade in quota species *per se*. Based on our observations and the WCMC report, problems regarding the monitoring of quotas are highlighted below.
 - a) Permits issued over quotas: Unfortunately, some Parties have simply issued permits over the numerical limit of a quota. Lax monitoring, multiple permit issuing authorities, frequent cancellation and re-issuance of permits, unlawful issuance of export permits, and other reasons contribute to Parties issuing permits over their own quotas.
 - b) Reporting discrepancies: The 1999 WCMC report demonstrates that national reporting of trade in quota species is problematic. Importing and exporting Parties often report inconsistent trade levels, with importing Parties regularly reporting higher trade levels than exporting Parties.
 - c) Trade after a ban is lifted: A small number of Parties have exceeded annual export quotas immediately following the lifting of a temporary moratorium on the issuance of export permits. This problem may be related to pressure applied from exporters, who may have been stockpiling specimens for export during the period of a trade moratorium.

Reporting trade in quota species

4. As discussed above, accurate and uniform trade reporting is critical under CITES. Problems that exist in reporting trade could often be avoided if Parties adhered to existing CITES standards on preparation and submission of annual reports. Those standards are set in Resolution Conf. 11.17 (Annual reports and monitoring of trade) and Notification No. 1999/85 (Annual reports). Review of the 1999 WCMC report, as well as our

observations, highlighted some of the problems encountered when Parties summarize trade in their annual reports.

- a) Reporting not based on actual trade: Many Parties provide annual reports based on permits and certificates issued, rather than actual exports. This often provides an over-count of trade levels if permits are not used, if the quantity exported is less than the quantity permitted, or if re-issued permits are reported on top of original permits.
- b) Reporting periods: Annual reports should cover all trade that occurred within a calendar year. When annual reports do not cover a calendar year, the information they transmit is not comparable with the trade limits set by quotas.
- c) Failure to report trade: At times Parties have not included all actual trade in their annual reports. This probably occurs for a variety of reasons, and can lead to quotas being exceeded, or under-utilized.
- d) Different reporting years: Export of CITES specimens may not occur until the year after a permit is issued, since permits are valid for six months. Thus, importing countries often report trade the year after a permit is issued. This can lead to a miscount of authorized specimens.
- e) Late or non-submission of annual reports: This is a continuing problem that undermines the use of trade data to manage and implement a quota system properly.
- f) Different terms used in quotas and permits: Parties report quotas that cover specific parts or derivatives, but often issue permits for live or whole specimens without mentioning such quotas. When exporting and importing Parties submit annual reports, differences in reporting methods lead to uncertainty as to whether this trade should be applied to quotas.
- g) Failure to include data in annual reports: Some Parties, when submitting annual reports based on permits issued, do not indicate which years specific permits were issued. Therefore, it is unclear to which annual quota a specific transaction should be applied.
- h) Quotas set at higher taxa: When quotas are set at a higher taxa level, reporting by exporting and importing countries can differ significantly, creating confusion as to actual trade levels.