

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



Sixty-first meeting of the Standing Committee
Geneva (Switzerland), 15-19 August 2011

Interpretation and implementation of the Convention

Trade control and marking

ELECTRONIC PERMITTING

1. This document has been submitted by Switzerland, as Chair of the Working Group on Information Technologies and Electronic Systems.*
2. At its 15th meeting (Doha, 2010), the Conference of the Parties adopted Decisions 15.54 to 15.56 on *Electronic permitting*. Decision 15.55 is directed to the Standing Committee as follows:

The Standing Committee shall extend the mandate of its Working Group on Information Technologies and Electronic Systems in order for it to perform the following tasks:

- a) *gather information from Parties and relevant organizations and initiatives on new developments related to electronic permitting systems, and submit such information to the Secretariat for possible inclusion in the toolkit;*
 - b) *collaborate with the Secretariat in updating the toolkit with new information related to the use of common information exchange formats, protocols and standards and electronic signatures;*
 - c) *promote the development and use of electronic permitting systems among Parties;*
 - d) *examine how electronic permitting can contribute to ensuring legal electronic commerce in specimens of CITES-listed species;*
 - e) *invite relevant organizations with knowledge about electronic permitting systems to join the Working Group; and;*
 - f) *report to the Standing Committee at its regular meetings on the results of its work.*
3. The Working Group on Information Technologies and Electronic Systems is composed of the following members: Brazil, Canada, France, Guatemala, Italy, Philippines, Switzerland (Chair), Singapore, Thailand, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, and Vietnam and the UNEP-World Conservation Monitoring Centre and the World Customs Organization.

* *The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat or the United Nations Environment Programme concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.*

4. During the inter-sessional period, the Working Group met three times (Bristol, United Kingdom, 2010; Bern, Switzerland, 2011 and Bristol, United Kingdom, 2011). The objective of these meetings was to discuss *implementation of Decision 15.55 and to assist the CITES Secretariat to fulfil Decision 15.56*:

In collaboration with the Working Group on Information Technologies and Electronic Systems, the Secretariat shall, subject to external funding:

- a) *update the CITES electronic toolkit according to new electronic permitting standards and norms;*
 - b) *work with relevant international organizations and initiatives related to electronic permitting systems to raise awareness of CITES business procedures and permitting requirements; and*
 - c) *organize capacity-building workshops to assist Parties in using the CITES electronic permitting toolkit to develop, implement or update electronic permitting systems.*
5. These meetings also discussed implementation of the joint project to exchange CITES export permit data electronically by Czech Republic, Switzerland and United Kingdom.

Joint Project to exchange CITES export permit data electronically

6. The Joint Project began in the fall of 2008 with the participation of Switzerland and the United Kingdom. The project would test new electronic mechanisms and procedures to support implementation of Decisions 15.55 and 15.56 and implement the recommendations found in the *CITES e-permitting toolkit*. The project would also test the feasibility of making CITES permit data interoperable and highlight lessons learned in the future development of such systems.
7. The project became operational in the spring of 2010. The Czech Republic joined the project in the fall of 2010. Guatemala has voiced interest in joining the project.

Collaboration with the Secretariat in updating the toolkit and efforts to invite relevant organizations with knowledge about electronic permitting systems to join the Working Group

8. There are two principal international organizations that set standards related to electronic trade documentation: The World Customs Organization (WCO) and the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). The WCO developed the WCO Data Model, currently at version 3, to provide a global solution for optimizing electronic data exchange.¹
9. The United Nations, through its Centre for Trade Facilitation and Electronic Business (UN/CEFACT), supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively. Its principal focus is on facilitating national and international transactions, through the simplification and harmonisation of processes, procedures and information flows, and so contribute to the growth of global commerce².
10. The Chair, in collaboration with the CITES Secretariat and the United Kingdom, met with the WCO on 18 November 2010 in Brussels, Belgium, to discuss the submission of a Data Maintenance Request (DMR)³ to the WCO with a view to integrate CITES e-permitting recommendations into the WCO Data Model v.3.; discuss how the WCO could assist the inclusion of Customs in the joint project to exchange CITES export permit data electronically; and, invite the WCO to join the Working Group.
11. The WCO accepted the invitation of the Chair to join the Working Group. The WCO's participation will assist greatly in efforts to make the CITES business process fully electronic. The problem at present is that Customs officials do not have the means to verify the authenticity and validity of an electronic permit.

¹ *Version 3 of the Data Model optimizes the electronic treatment of data by providing a whole-of-government set of data and data structures including requirements for cross-border regulatory agencies (Customs, agriculture, environment protection, etc.) controlling export, import and transit. This results in stability and predictability for business-to-government and government-to-government data exchange, and saves costs and time for all stakeholders. World Customs Organization. (2009). Launch of the new WCO Data Model: Optimizing data exchange for enhanced facilitation. (<http://www.wcoomd.org/press/default.aspx?lid=1&id=202>)*

² (<http://www.unecce.org/cefact/about.htm>).

³ *The objective of the Data Element Maintenance Mechanism ("Mechanism") is to provide a clear amendment process for the addition or deletion of data elements.*

Inclusion of Customs in discussions related to developing a clearing-house of CITES permit data may facilitate the development of such an electronic system. The WCO also showed much interest in the joint project, and it was agreed that participants would keep the WCO apprised of progress achieved, particularly when involving national Customs officials in activities.

12. During the meeting, the WCO also advised the Secretariat on the procedures for the submission of a DMR. A DMR was submitted by the Secretariat to the WCO in May 2011. Should the submission be successful, the recommendations found in the CITES e-permitting toolkit will be integrated with the WCO Data Model v. 3. Consequently, it will become much easier for Parties that use the WCO data Model to align other electronic documentation with CITES e-permits. It will also facilitate the development of a Single Window¹ for trade-related electronic documentation.
13. The Working Group has also worked with the CITES Secretariat to foster greater collaboration with the UN/CEFACT. In this regard, the Secretariat joined the UN/CEFACT's International Trade and Business Processes Group (TBG) no. 18. The objectives of TBG 18 are to: *develop and maintain Business Process and Transaction Models, the semantics and content in a syntax neutral way that fulfils the requirements of the Agro – Food communities*². In this manner, it will become easier to align CITES e-permits with UN/CEFACT standards and to ensure alignment with other trade related certificates and permits such as phyto-sanitary certificates.
14. The Working Group has also worked closely with the UNEP-Conservation Monitoring Centre on the development of an Electronic Permit Information eXchange (EPIX). EPIX is developing mechanisms to facilitate the expedition, electronic exchange and verification of CITES permit data among CITES Authorities³. It will allow participating Parties to query and retrieve electronic permit information through a secure website. It has been developed with support from the European Commission.
15. EPIX could presumably evolve into a more complex global clearing-house for CITES permits and certificates. In this manner, Authorities and Customs would have a central location to verify the authenticity of the permit and to update or modify it as needed. This would resolve the issue of offering Customs a means to access CITES e-permits from remote locations. It would also offer the means for the CITES business process to become fully electronic.
16. The Working Group was concerned that the drive to implement electronic permitting systems would exacerbate the digital divide, and exclude some Parties in developing regions from partaking in the benefits that the development of such systems offer.
17. In light of the above, the Working Group commented on a concept note drafted by the Secretariat and UNEP-World Conservation Monitoring Centre for a "Remote CITES E-permitting System for Developing and Least Developed Countries". The proposal would further develop EPIX to act as a virtual e-permitting system for countries lacking the resources to implement and sustain a national e-permitting system. Countries could tailor the system to their needs, ensure that their e-permits are compliant with the CITES toolkit and international standards and norms and increase levels of trade that are traceable, legal and sustainable.

Promote the development and use of electronic permitting systems among Parties

18. The Working Group continues to promote the development and use of electronic permitting systems among Parties. It assisted the Secretariat in preparations of a presentation on the use of EPIX as a virtual permitting system for developing countries at the 54th Management Meeting on CITES by the European Commission which was held in Brussels, Belgium on 22 March 2011. The presentations by the Secretariat and UNEP-WCMC were well received by participants in the meeting.

¹ A Single Window is defined as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit related regulatory requirements. The Single Window concept: the World Customs Organization's perspective. (<http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/Procedures%20and%20Facilitation/Single%20Window%20Concept.pdf>)

² <http://www.uncefactforum.org/TBG/TBG18/tbg18.htm>

³ More information on EPIX is available on UNEP-WCMC's website at: <http://www.unep-wcmc.org/eu/taxonomy/FAQ.cfm>

19. The Chair is also assisting the Secretariat in meetings to develop funding proposals on the establishment of e-permitting systems. At this writing, two meetings are planned: The first meeting is being organized by the Central American Commission for Environment and Development¹ with the support from the United States Department of Interior and will be held in Managua, Nicaragua on 27 to 29 June 2011. The second meeting is being organized by the Amazon Cooperation Treaty Organization² and will be held in the Summer of 2011. The Chair may participate in the meeting organized by OTCA on behalf of the Working Group.
20. Furthermore, Brazil, a member of the Working Group, is discussing with the Secretariat and the above organizations the possibility of making its e-permitting system expertise and technology available to countries in the region.
21. Finally, the Working Group is working with the Secretariat to facilitate the participation of developing countries in the Joint Project. The participation of a Party from a developing region would expand the reach of the project and offer the Working Group insight into the challenges in implementing CITES e-permitting systems by Parties in developing regions.

Examine how electronic permitting can contribute to ensuring legal electronic commerce in specimens of CITES-listed species

22. The Working Group has requested the Secretariat to keep it apprised of work achieved by the Working Group on e-commerce of specimens of CITES-listed species and to raise any issues on the how the advent of CITES electronic permitting may contribute to legal, sustainable and traceable trade.
23. Furthermore, the Secretariat and the Working Group are discussing with the UNEP-World Conservation Monitoring Centre the development of systems that would allow those Parties using CITES e-permitting systems to register their e-permits immediately on issuance or receipt directly onto the CITES Trade Database. This would offer CITES Authorities an unparalleled up-to-date resource to monitor trade levels and routes.
24. Offering Customs officials the means to ascertain the authenticity and validity of e-permits through a clearing-house may also ensure less fraudulent use of CITES documentation and facilitate legal trade.

Conclusion

25. Parties are investing in the development of CITES e-permitting systems more rapidly than expected. These systems may offer the CITES community a number of benefits. However, it is imperative that such systems are in alignment with recommendations in the CITES e-permitting toolkit. In addition it is also important that Parties continue to assist developing regions to implement such systems. The Working Group applauds the efforts of Brazil, Germany, Switzerland, the United Kingdom, the United States and the European Union in this regard. It also acknowledges the work of the Amazon Cooperation Treaty Organization and the Central American Commission for Environment and Development to assist Parties in their region to implement such systems. It is also thankful to the UN/CEFACT and to the WCO for their assistance in the development of CITES e-permitting systems that are harmonized with international trade standards and norms and to UNEP-WCMC for their collaboration with the Working Group in efforts to promote CITES electronic permitting systems
26. Finally, the Working Group notes that lack of core funding has created obstacles with regard to participation by members of the Working Group from developing countries in meetings and in the joint project .The Standing Committee may wish to consider how to facilitate more equitable participation by Parties from developing regions.

¹ *Comisión Centroamericana de Ambiente y Desarrollo (CCAD).*

² *Organización del Tratado de Cooperación Amazónica (OTCA).*

Recommendation

27. The Standing Committee may wish to consider:

- a) A recommendation that the Conference of the Parties at its 16th meeting extend the mandate of the Working Group on Information Technologies and Electronic Systems to:
 - i) collaborate with the CITES Secretariat in the drafting of funding proposals related to the development of CITES e-permitting systems;
 - ii) work with the UN/CEFACT and the WCO and other relevant organizations to ensure that CITES e-permits are aligned with international trade standards and norms;
 - iii) collaborate with the UNEP-World Conservation Monitoring Centre to further develop EPIX to act as a clearing-house of CITES e-permits and certificates and to offer Parties in developing regions a ready-to-use virtual CITES permitting system;
 - iv) work with the CITES Secretariat to ensure that the CITES toolkit is updated as necessary; and,
 - v) support the participation of Parties in developing regions in the Working Group.