

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

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Twelfth meeting of the Conference of the Parties  
Santiago (Chile), 3-15 November 2002

Strategic and administrative matters

Matters relating to the Standing Committee

REPORT OF THE CHAIRMAN

Introduction

1. The United States of America was elected as Chairman of the Standing Committee at its 44th meeting, immediately following the 11th meeting of the Conference of the Parties (CoP11, Gigiri, 2000). South Africa was elected as Vice-Chairman, and China was elected as alternate Vice-Chairman. There have been two meetings of the full Committee since then: SC45 in June 2001 (Paris); and SC46 in March 2002 (Geneva). The 47th meeting will be held in November 2002 (Santiago), immediately before the 12th meeting of the Conference of the Parties (CoP12).
2. During this period, the Convention celebrated its 25th anniversary on 1 July 2000. It was on this date in 1975 that it entered into force and became legally binding. Through this first quarter century, CITES has proven to be flexible and able to cope with new global environmental challenges. It has evolved into a major tool for sustainable use and local community involvement in wildlife conservation. Since CoP11, a total of 10 new Parties have acceded to the Convention, bringing the total to 160. At CoP11, through Resolution Conf. 11.1, the Parties reaffirmed the important role that the Committee serves. The terms of reference were revised and broadened, and regional representation was expanded to reflect the growing number of Parties. Much of the work of the Committee was in response to a growth in both the complexity of the issues addressed and the increase in attendance of observer Parties at the meetings.
3. The Committee concentrated on the key tasks given to it at CoP11. These included: continuing activities under Resolution Conf. 8.9 (Rev.) on Trade in specimens of Appendix-II species taken from the wild; continuing activities under Resolution Conf. 8.4 on National laws for implementation of the Convention; activating Resolution Conf. 11.17 on Annual reports and monitoring of trade; financing of the conservation of species; trade in bear specimens; conservation of the tiger; and review of actions regarding musk deer. The Committee also devoted considerable time to other issues related to decisions adopted at the 11th meeting where there were implicit instructions to the Committee. These included: financial and administrative matters including activities of the Finance Subcommittee; implementation of the strategic and action plans; issues of compliance relative to Resolution Conf. 11.3; and implementation of existing Resolutions. These activities are detailed in reports and Notifications and therefore the following is an executive summary of Committee activities. The Committee is indebted to the Secretary-General and his staff who supported its activities during this period. I should like to make a special note of thanks to the Government of France for hosting the 45th meeting.

Significant trade in specimens of Appendix-II species

4. One of the most important tools created by the Conference of the Parties is the mechanism to address unsustainable levels of trade in Appendix-II species through what has become known as 'the Review of

Significant Trade'. Under Resolution Conf. 8.9 (Rev.) the Animals and Plants Committees are tasked with the review of biological and trade information on Appendix-II species subject to significant trade, to determine possible problems and, following consultations with the range States, to make specific recommendations. If a concerned Party fails to implement the recommendations, the Secretariat recommends to the Standing Committee that the Parties immediately take strict measures, including, as appropriate, suspension of trade in the affected species with that Party. During this period, the Standing Committee considered recommendations concerning 39 countries, affecting 35 species

5. At its 45th meeting, the Secretariat presented to the Committee its recommendations on a basin-by-basin level regarding the significant trade in Acipenseriformes for the range States concerned in the Black Sea basin, the Amur River Basin and the Caspian Sea basin. After hearing the comments and additional information from several range States, the Secretariat was asked to meet with and consult the range States concerned, to take the new information into account, and to formulate revised recommendations for consideration by the Committee. Following these consultations, the Secretariat presented revised recommendations based on the statements regarding cooperation in sturgeon conservation and sustainable use made by the affected States present at the meeting. The Committee subsequently adopted recommendations regarding the Caspian Sea sturgeon stocks of Azerbaijan, Kazakhstan, the Russian Federation and Turkmenistan; the Black Sea (and the Azov Sea) stocks of Bulgaria, Romania and the Russian Federation; and the Amur River stocks of China and the Russian Federation. The Committee agreed that for the Black Sea stocks, it would recommend a total suspension of all imports if, by the end of February 2002, the affected States had not established an agreement for the cooperative management of sturgeon, implemented all other recommendations and agreed that further exports in 2001 would be restricted to no more than 75 per cent of published quotas. Quotas for the Azov Sea and the Amur River stocks were also restricted.
6. Taking account of the commitments made at the meeting by the affected States that conduct commercial fishing of sturgeons in the Caspian Sea, the Committee recommended that all imports of specimens of these species be suspended if the Secretariat was not able to verify the implementation of specific actions as agreed by the States. These included: a restriction of further exports in 2001, a suspension of all commercial harvesting for the remainder of 2001; agreement to an appropriate mechanism for the establishment and implementation of a common policy for the conservation and utilization of sturgeon resources involving all countries exploiting sturgeons and adoption of a basin-level management system; conduct of a comprehensive survey of sturgeon stocks and establishment of a long-term survey programme; and analysis of illegal trade in sturgeons and significantly increasing efforts to combat illegal harvest and trade.
7. At its 46th meeting the Secretariat reported on progress with the implementation of the 'Paris Agreement' concerning sturgeons in the Caspian Sea as well as the implementation of recommendations of the Animals Committee in the Azov Sea, the Black Sea and the Amur River. The Secretariat emphasized that sufficient progress had been made in the Black Sea, the Caspian Sea and the Amur River to justify the acceptance of catch and export quotas for 2002, and that it would continue to liaise closely with the countries concerned to ensure that regional cooperation and the scientific basis for management would be strengthened further. The Secretariat further reported that sturgeon stocks in the Azov Sea had not shown signs of a recovery but that no further action was required as the Russian Federation had decided not to establish export quotas for caviar for sturgeons caught in that area. The Committee acknowledged the extensive work accomplished by the range States concerning the implementation of the agreement reached at its 45th meeting and commended the range States for their efforts and the spirit of cooperation at the regional level and with the Secretariat.
8. At its 45th meeting the Committee agreed to withdraw its earlier recommendation to suspend all imports from China of specimens of *Ptyas mucosus*, provided that China establish a cautious export quota agreed with the Secretariat. In addition, the Committee considered information on a number of other species and recommended that all Parties suspend imports of specimens of the following species: *Hippopotamus amphibious*, *Poicephalus robustus* and *Geochelone pardalis* from the Democratic Republic of the Congo; *Saiga tatarica* from Kazakhstan, *Hippopotamus amphibius* from Malawi; *Poicephalus*

*robustus* from Mali; *Cordylus tropidosternum* from Mozambique; *Dendrobates auratus* and *D. pumilio* from Nicaragua; *Saiga tatarica* from the Russian Federation; *Hippopotamus amphibius* from Rwanda; *Corucia zebrata* from Solomon Islands; *Dendrobates tinctorius* from Suriname; *Poicephalus robustus* from Togo; and *Acipenser gueldenstaedtii*, *A. nudiiventris*, *A. stellatus* and *Huso huso* from Turkey. The Committee made these recommendations, in accordance with Resolution Conf. 8.9 (Rev.), because it considered that the provisions of Article IV, paragraphs 2(a) and 3, were not being adequately implemented by the States concerned for the species mentioned.

9. At its 46th meeting the Committee noted that Turkey had implemented all the required recommendations and that the trade suspension had been lifted. In addition, St Lucia provided an outline of its programme for managing its population of *Strombus gigas* including clarification of its system of regulation of trade in this species. This included restricting access to the resource and to export markets and ensuring that annual levels of export do not exceed those in place before 1999. The Committee agreed to withdraw its recommendation to suspend imports of this species from St Lucia.

#### Conservation of and trade in specific species

10. The Standing Committee was tasked by the Conference of the Parties with monitoring the progress of Parties in relation to the conservation of specific species and reducing illegal trade in specimens of those species. In its report on this subject at the 45th meeting of the Standing Committee, the Secretariat raised concerns regarding the effectiveness of the current approach of distributing Notifications to the Parties seeking information regarding specific species or of writing to all range and consumer States seeking such information as a method to assist the Committee in fulfilling these directives. It was pointed out that such notices generally have not proved effective. They often relate to Resolutions that contain recommendations with regard to specific species that reiterate basic requirements for adequate implementation of the Convention. Consequently, it may be unrealistic to expect the Committee to be sufficiently well informed to prepare meaningful reports to the Conference of the Parties regarding general effectiveness and implementation.
11. At its 46th meeting the Committee approved the recommendations made by the Secretariat that an alternative approach be used where, in lieu of general notices, the Secretariat should work with relevant Parties and organizations to focus and report upon specific elements such as: difficulties of implementation relating to specific species; countries or regions where implementation is poor or there are significant levels of illicit trade; examples of good practice or innovations that other Parties can learn from or that can be adapted for better implementation of CITES; and specific proposals for action. It believes this should be easier to achieve and result in a greater response than that obtained at present, and hopefully provide a more meaningful supply of information to the Committee and, in turn, the Conference of the Parties.
12. Regarding trade in bear specimens, the Committee was required by Decision 11.80 to identify additional legislative and enforcement measures that may be necessary to stop the international illegal trade in bear specimens. Following a general notification, detailed reports were received from only a small number of Parties. Those responding indicated that they had adequate legislation to control trade in bear specimens. The Committee agreed with the Secretariat's recommendation that no additional measures were required. However, illegal trade in bear parts has not been eliminated and the Parties and interested organizations are encouraged to provide information regarding relevant incidents or seizures, so that a more targeted approach can be taken.
13. Regarding conservation of the tiger and trade in tiger specimens, the Committee has been requested by Decisions 11.81 and 11.82 to continue to review the progress of tiger range and consumer States. Under the auspices of the CITES Tiger Enforcement Task Force, a workshop was held in May 2002 at the National Police Academy of India. This provided an opportunity for enforcement officials to meet and establish networks that will facilitate free exchanges of information and lead to greater cooperation among tiger range States in combating illicit trade. A crime intelligence bulletin was issued to all tiger range States, and to Interpol and the World Customs Organization, in September 2001. This contained

important information regarding trade routes and trading places that had not been identified previously. Cambodia is to be commended for its significant efforts. The enthusiasm witnessed by the CITES Tiger Missions Technical Team is obviously now being converted into effective actions. Myanmar remains the only country that was visited by the CITES Tiger Missions Technical Team not to have reported on what action it has taken to implement the Team's recommendations.

14. The Committee received information raising concerns regarding Thailand's domestic control of trade in tiger specimens and the availability of medicinal products claiming to contain tiger ingredients. Bangladesh and Thailand were not visited by the CITES Tiger Missions Technical Team but the Team leader subsequently visited Bangladesh as part of a mission to the Global Tiger Forum. The Committee endorsed a technical mission to Thailand to examine the domestic control of trade in tiger specimens and the general implementation of the Convention.
15. Regarding musk deer, the Committee was directed by Decision 11.83 to undertake a review of actions taken by key musk deer range, transit and consumer States for the conservation of this species. The Secretariat wrote in January 2001 to the countries identified in Decision 11.83, seeking relevant information. China (including a separate report from Hong Kong SAR), Germany, Japan, Mongolia and the Russian Federation responded. Information available suggests that the poaching of musk deer remains a problem in many of the species' areas of natural habitat. This is aggravated by the fact that much of the poaching appears to target animals indiscriminately. Relevant Parties were encouraged to implement the recommendation in Resolution Conf. 11.7 (Conservation of and trade in musk deer) to pursue the development of a labelling system and share forensic methods to detect musk in products and provide information regarding seizures and enforcement actions. Without such information, it is very hard for the Committee to recommend appropriate actions.

#### National Legislation Project

16. Decision 11.77 directs the Committee to decide the appropriate measures to be taken with respect to the Parties identified in Decisions 11.15, 11.18 and 11.19, that have high volumes of international trade in specimens of CITES-listed species and whose national legislation is believed generally not to meet the requirements for implementation. Such measures may include restrictions on the commercial trade in specimens of CITES-listed species to or from such Parties. Decision 11.15 refers to four Parties whose legislation was analysed during Phase 3 of the National Legislation Project, namely Fiji, Turkey, Viet Nam and Yemen, that have high volumes of international trade in specimens of CITES-listed species and national legislation that is believed generally not to meet the requirements for implementation of CITES (Category 3).
17. At its 45th meeting, the Secretariat informed the Committee about the progress made by the countries concerned to implement these decisions. Having considered the report of the Secretariat, the Committee agreed to defer until 31 December 2001 its advice to suspend trade in specimens of CITES-listed species with those countries, in order to allow additional time for compliance. Turkey provided to the Secretariat a copy of its enacted legislation by the agreed date. Fiji, Viet Nam and Yemen were unable to adopt the necessary legislation before the deadline, and the Secretariat issued Notification to the Parties No. 2002/003-005 of 14 January 2001 recommending that all Parties refuse any import from and export or re-export to Fiji, Viet Nam and Yemen of specimens of CITES-listed species, until further notice.
18. At its 46th meeting, the Secretariat reported on subsequent progress made by the remaining Parties under Decision 11.15. Viet Nam's national legislation entered into force in February 2002, and Notification to the Parties No. 2002/016 withdrawing the recommendation to suspend trade with Viet Nam was issued on 11 March 2002. A representative of Fiji stated that its Cabinet had directed the development of national legislation for implementing CITES before the end of 2002, and recognizing the concern expressed at the 45th meeting relative to Fiji's unsustainable levels of trade in corals, committed to implementing a plan of action to regulate that trade further. The Committee agreed to suspend its recommendation temporarily in light of the commitment of the Government of Fiji. The

Secretariat reported that Yemen was revising its draft implementing legislation, but that the recommendation to suspend trade remained in effect.

19. Historically the Committee has agreed that the recommendation to suspend trade in such instances was appropriate. The Report of the Chairman at the 11th meeting of the Conference of the Parties stated that:

*the Secretariat should maintain its offer of technical assistance, but that the highly effective mechanism for recommending trade suspensions should still be deployed where necessary. The fact that suspensions – or threats of them – have had 100 per cent success on the seven occasions they have been deployed since the last meeting of the Conference is a powerful reason for keeping this ‘sanction of last resort’.*

However, at both the 45th and 46th meetings, there was considerable debate concerning this issue by this Committee. Members noted that relevant political, economic and administrative factors made it likely that several Parties would fail to meet the established deadlines. Although it was recognized that the Committee cannot alter the decisions of the Conference of the Parties, members were urged to be cautious in recommending trade suspensions under the National Legislation Project. It was noted that the text of the Convention does not provide for sanctions in case of non-compliance with the Convention. However, concern was also expressed regarding whether proper control over permits could be assured by the affected Parties when there were high volumes of trade but inadequate legislation. The need for other appropriate compliance measures short of full trade suspension was noted. This issue was also discussed during agenda item concerning late or non-submission of annual reports and will be addressed further under possible measures for non-compliance.

20. Decision 11.18 applies to those Parties with high volumes of international trade in specimens of CITES-listed species, whose legislation was analysed during Phase 1 or 2 of the National Legislation Project and placed in Category 2 or 3, namely Cameroon, the Dominican Republic, Mozambique, Panama, Poland, Romania, the Russian Federation, Singapore, South Africa and Thailand. Decision 11.18, paragraph c), states that, with respect to Parties referred to in this Decision that have not enacted legislation, the Standing Committee, at its 45th meeting, shall consider appropriate measures, which may include restrictions on the commercial trade in specimens of CITES-listed species to or from such Parties. At its 45th meeting, the Committee agreed to defer until its 46th meeting a decision regarding measures affecting Parties concerned by Decision 11.18, citing many of the concerns raised above and to give the affected Parties additional time to enact appropriate legislation. The Committee interpreted the direction provided in Decision 11.18 to provide greater latitude to than that of Decision 11.15.
21. At its 46th meeting the Secretariat reported that relative to Decision 11.18, Singapore had enacted specific legislation to fulfil the requirements of the Convention. However, six countries in category 2 (Cameroon, Panama, Poland, the Russian Federation, South Africa and Thailand) and two countries in category 3 (the Dominican Republic and Mozambique) were unable to meet the deadline established by the Committee at its 45th meeting. Also, the Secretariat drew the Committee’s attention to the large number of Parties identified in Decision 11.19 that do not have high volumes of international trade and have not enacted national legislation, and noted the need to determine the best means for maintaining momentum in the legislative process.
22. After considering this information and recognizing the greater latitude provided to the Committee by Decisions 11.18 and 11.19, it was agreed that the 73 affected Parties should submit to the Secretariat an outline of their programme to comply with their obligations to adopt adequate legislation to implement the Convention, in the form of a CITES Legislation Plan, by 31 May 2002. The purpose of this plan is to establish and commit to agreed steps and a time-frame for the adoption of national legislation pursuant to Resolution Conf. 8.4. Further, the Committee established deadlines for the enactment of national legislation: Parties in Category 3, concerned by Decision 11.18 by October 2002; Parties in Category 2, concerned by Decision 11.18 by January 2003; Parties in Categories 2 and 3, concerned by Decision 11.19 by December 2003.

23. The Committee instructed the Secretariat to issue a Notification recommending a suspension of trade in specimens of CITES-listed species with such Parties, if a Party fails to submit a CITES Legislation Plan or enact legislation by the prescribed dates. However the Secretariat may withhold action on this instruction if good progress has been made by a Party, but shall implement the instruction immediately if adequate legislation has not been adopted by March 2003. The Standing Committee shall consider further action at its 47th meeting. The Committee expects the affected Parties to meet the prescribed deadlines so that further measures, which may include restrictions on commercial trade, will not be required. If an affected Party fails to adopt adequate legislation by the prescribed deadlines the Committee shall recommend restrictions on commercial trade at its first meeting after that date, unless a Party can show good cause for its lack of adequate progress.

#### Annual reports

24. At its 45th meeting, the Committee considered the matter of late or non-submission of annual reports in the context of Resolution Conf. 11.17 and Decisions 11.37 and 11.89. These Decisions stipulate that the Committee shall determine which Parties have failed to provide annual reports, without cause, for three consecutive years within the deadline established, and further recommends that Parties should not authorize any trade in specimens of CITES-listed species with any Party that is the subject of such a determination by the Committee. The Secretariat advised that when Decision 11.89 was agreed it was believed that it would be an effective means for encouraging Parties to submit annual reports. It was not envisaged that about 20 per cent of the Parties might be potentially subject to a recommendation to suspend trade with the other 80 per cent. Although the submission of annual reports remains a concern, the Secretariat did not think it would be helpful to penalize such a large number of Parties and suggested that the Committee may wish to consider whether to apply Decision 11.89 for the period 1991-1999 or the period 1997 onwards in order to focus reporting on the most recent years.
25. There was considerable debate on this issue, including whether sanctions may be imposed under the Convention or whether there are simply recommendations to suspend trade that States are free to implement or not. The question of whether such measures were in compliance with WTO was raised. There was also discussion on the need for a range of legal, technical and administrative actions that might be taken in response to problems of non-compliance with the Convention, Resolutions and Decisions, such as late submission of reports, taking into account the need to ensure that such actions do not have a negative conservation impact. It was noted that the Committee was not comfortable with Decision 11.89 and was reluctant to proceed to cite countries with which trade should be suspended owing to the late or non-submission of annual reports. The Secretariat advised that the Committee could choose not to make a determination. The Committee agreed to apply Decision 11.89 to the period of 1997 onward, deferred any further determinations, and instructed the Secretariat to prepare for consideration at its 46th meeting an analysis of possible measures for non-compliance, short of a recommendation of suspension of trade.
26. At its 46th meeting, the Secretariat provided an update of the Parties potentially affected by Decision 11.89 as applied to the period from 1997 onward, noting that progress had been made by a number of Parties. The Committee agreed to determine at its 47th meeting whether any Parties had failed, without having provided adequate justification, to provide their annual reports or relevant permits for three consecutive years during the period 1997 to 2000. If such a determination were to be made, the Committee would instruct the Secretariat to issue a notification recommending that trade in specimens of CITES-listed species should be suspended with that Party. The Committee expects the affected Parties to meet this deadline so that recommending suspension of trade will not be required. The Committee directed the Secretariat to contact the affected Parties to advise them of this decision and encouraged the regional representatives to contact the affected Parties and offer them assistance.

#### Financing of the conservation of species

27. Decision 11.78 directed the Committee to form a working group to inventory existing funding mechanisms made available by the Parties specifically for the conservation of wild fauna and flora,

analyse the way in which these mechanisms operate, and report to the Parties the results of this analysis. To assist the Committee in its work, the Management Authority of France prepared a questionnaire that was circulated to the Parties through Notification to the Parties No. 2001/016 of 16 March 2001. Twenty-seven Parties responded, of which 11 provided details of existing funding mechanisms. At its 45th meeting, the Committee established a working group comprising Burkina Faso, Canada, the Czech Republic, France (convener), Japan, South Africa, and Trinidad and Tobago, and tasked the group to analyse the functioning of these mechanisms, evaluate their potential for improving the implementation of the Convention, and report their findings at its next meeting.

28. At its 46th meeting the Committee accepted a report on financing the conservation of species, prepared by France on behalf of the working group. The Committee directed the Secretariat to continue to collate and analyse information on financial mechanisms, to publish regularly updated analyses of funding mechanisms for the conservation of species and to circulate this information by notification. The Committee further directed the Secretariat to consider financial mechanisms other than trust funds, and to confer with other conventions, such as the Convention on Biological Diversity, as appropriate.

#### Implementation of existing Resolutions

29. At its 45th meeting the Committee considered a report by the Secretariat concerning Decision 11.136 that requires the Secretariat to analyse problems in the implementation of existing Resolutions and propose solutions where appropriate to the Committee. During the discussions the need was expressed for Parties to have a further opportunity to provide comments and that the focus of further action should be on those Resolutions for which the Parties had identified implementation problems. There was also a need to allow the Committee to comment on the list of Resolutions that the Secretariat proposes to review. It was agreed that the Secretariat should send a second Notification to the Parties to remind them of this decision, analyse the results and prepare a plan for a phased review of Resolutions and present its proposal at the 46th meeting.
30. At its 46th meeting, the Secretariat presented a summary of the results of the two Notifications and proposed a series of actions to prioritize the work to be done before CoP12. The Committee agreed that the Secretariat would proceed with a list of those Resolutions that at least one Party had commented that it had a problem with or at least one Party had commented that it does not implement. Regarding these, the Secretariat will communicate with the Parties concerned to discuss whether a change to the Resolution seemed necessary. If it was agreed by these Parties that a change was desirable, the Secretariat would cooperate with them to prepare a proposal.
31. It was also agreed that as far as time allows, the Secretariat would prepare proposals to amend or repeal, as appropriate, a second list of Resolutions (many of which are referred to in the Work Plan), and proposals to put into Resolutions the texts of Decisions that are not time-limited. The Secretariat was requested to notify all Parties, including through its website, of the Resolutions with respect to which it intends to prepare amendments for consideration of at CoP12, and to provide a brief explanation of the reasons giving rise to these proposals. The Secretariat was also requested to ask all Parties to indicate whether they are considering the submission of proposals to amend existing Resolutions.

#### Enforcement matters

32. At its 45th meeting the Secretariat presented information on a continuing concern relative to cancelled and replacement permits, border controls and the status of an ongoing investigation by the Democratic Republic of the Congo into the fraudulent use of documents. The Committee discussed the situation in detail and felt that firm action should be taken. The Committee agreed that the Secretariat should distribute a Notification to the Parties recommending that, until further notice, the Parties refuse any import of CITES-listed specimens from and any export or re-export of such specimens to the Democratic Republic of the Congo.

33. It was further agreed, that the Secretariat would issue a Notification to the Parties withdrawing this recommendation when it is satisfied that the Democratic Republic of the Congo: has adequately investigated the fraudulent use of permits and certificates that have been identified to it by the Secretariat; has put in place measures to eliminate, as far as reasonably practical, the abuse or misuse of permits and certificates issued by its Management Authority; and has implemented adequate export controls, particularly for live specimens. Such satisfaction should be verified by a mission of the Secretariat to the Democratic Republic of the Congo, before and during which the Secretariat would provide relevant technical advice and support.
34. On 9 July 2001, the Secretariat distributed Notification to the Parties No.2001/039 putting the Committee's recommendation into effect. In response to a request from the Democratic Republic of the Congo, the Secretariat undertook a mission there in October 2001 to learn more about the Government's efforts to investigate CITES permit fraud, eliminate future misuse or abuse of permits and implement adequate export controls. While a number of positive steps had been taken, the Secretariat concluded that further steps were needed to make various initiatives fully operational before the Committee's recommendation could be withdrawn. The Secretariat continues to provide technical assistance to the Democratic Republic of the Congo on these matters.
35. At its 45th meeting the Secretariat drew the Committee's attention to increasing concerns over illegal trade in CITES-listed species involving the United Arab Emirates. The Committee discussed the situation relating to this Party and felt that firm action should be taken. The Committee recommended that the United Arab Emirates should, as soon as possible, invite a mission by the Secretariat to discuss illicit trade in CITES-listed specimens and to examine the measures in place to implement the Convention. The Committee agreed that if, by 31 October 2001, such an invitation had not been received and the Secretariat had been unable to satisfy itself that the United Arab Emirates was adequately implementing the Convention, the Secretariat should distribute a Notification to the Parties recommending that, until further notice, the Parties refuse any import of specimens of CITES-listed species from and any export or re-export of such specimens to the United Arab Emirates.
36. Following the 45th meeting, the Secretariat continued to communicate with the United Arab Emirates in an effort to assist its implementation of the Convention. A mission was undertaken in October 2001. The Secretariat's assessment indicated that the United Arab Emirates was not adequately enforcing the Convention and there was evidence of substantial volumes of illicit trade; and in November 2001 the Secretariat issued a Notification implementing the Committee's recommendations.
37. At its 46th meeting, the United Arab Emirates reported on the actions taken following the Committee's recommendation. The Secretariat noted that the United Arab Emirates had responded positively to the recommendation: had ceased authorizing trade in CITES specimens; had restructured its Management Authority arrangements and appointed a new Scientific Authority; had established an action plan to correct the problems identified earlier; had prepared an excellent draft of a new law to implement CITES; had established a two-year training programme for all levels of government and all relevant agencies, and had started to implement it. Some problems remained regarding the illegal trade in caviar and regarding movements of falcons and the Secretariat was in discussion with the United Arab Emirates about these. The Secretariat proposed a three-phase withdrawal of the recommendation to suspend trade. Concern was expressed regarding the trade in caviar and falcons. The Secretariat noted that, if a phased withdrawal were agreed, the commercial trade in caviar would not be permitted until the third phase and so would be subject to further review, and the non-commercial trade in falcons would not be allowed until completion of the registration of birds. The Committee agreed with this approach with the understanding that with regard to commercial trade, the recommended suspension shall be reconsidered at its 47th meeting.

#### Possible measures for non-compliance

38. At its 45th meeting the Committee considered the issue of imposing trade restrictions for non-compliance in response to the directives contained in several Resolutions and Decisions. Concerns in the



application of such recommendations are discussed above under annual reports and the national legislation project. As a result of these discussions, the Committee instructed the Secretariat to prepare for consideration at its 46th meeting an analysis of the range of legal, technical and administrative actions that might be taken in response to problems of non-compliance with the Convention, Resolutions and Decisions, such as the late or non-submission of annual reports, taking into account the need to ensure that such actions do not have a negative conservation impact.

39. At its 46th meeting the Secretariat provided a detailed analysis of the how the Parties, through Resolutions and Decisions, have focused CITES measures for ensuring compliance on obligations related to prohibiting trade in violation of the Convention, ensuring trade does not adversely affect CITES species, enacting adequate national legislation, reporting on implementation of the Convention and making timely payments to the Convention's Trust Fund. The review also provided context for compliance issues in other MEAs and provided a range of possible actions, short of imposing trade restrictions and included a recommendation to prepare a draft revision of Resolution Conf. 11.3 on Compliance and enforcement.
40. Following considerable discussions, the Committee expressed reluctance to recommend a revision of Resolution Conf. 11.3. However, the Committee considered that this issue warranted additional discussions among the Parties. The Secretariat was instructed to prepare a discussion document for CoP12 that does not require a decision and does not involve any proposed revision of Resolution Conf. 11.3. This document should comprise a further elaboration of the analysis presented at the 46th meeting, incorporating the various points made by the Committee during its deliberations.

#### Financial and strategic matters

41. The Committee devoted considerable time to financial and strategic matters. The Finance Subcommittee met in conjunction with each of the meetings of the Committee. This greatly facilitated the Committee's deliberations particularly relative to the workplan of the Secretariat, preparation of a proposed budget for the next triennium, procedural changes for a more efficient budget process, and implementation of the strategic and action plans. The Committee established a working group to propose priorities for the workplan of the Secretariat and make recommendations to the Committee concerning updates of the Strategic Vision action plan, and the development of a workplan for the Committee.
42. At its 45th and 46th meetings, the Committee agreed to a proposal for several changes in the presentation of future budgets, for consideration at CoP12, including: a change of currency of the Secretariat's budget from Swiss francs (CHF) to United States dollars (USD); to have future budgets always cover a three-year period; and that the medium-term budgets, such as the one presented in Annex 3 to Resolution Conf. 11.2 should no longer be prepared. The structure of the budget was modified to present a 'true cost' budget.
43. The Committee also discussed at some length the need for the continued existence of a separate Budget Committee, in addition to Committee I and Committee II established at CoP11. The purpose of this separate committee was to encourage greater participation by the Parties in the important decisions concerning the budget of the Convention. While it was noted that this separation did improve participation in the budget discussions, it was also noted that Parties that had limited representation at the meeting had difficulties in participating in the Budget Committee at CoP11 since the three committees met concurrently. There was also considerable expense involved in providing the necessary interpretation services for three committees. The Committee noted that a significant portion of the preliminary discussion on budget issues necessary at previous meetings of the CoP was now being facilitated by the Finance Subcommittee. This should reduce the need for extended deliberations so that more time should be available in Committee II. It was felt that, consequently, a separate budget Committee would not be required. The Committee agreed to changes in the draft rules of procedure for CoP12 to reflect this proposed change.

44. The Committee, through the Finance Subcommittee, devoted considerable time to the proposed budget for the triennium 2003-2005. For the past several years, surpluses in the Trust Fund have been used to supplement annual budgets. These surpluses have now been exhausted and annual Party contributions are not currently sufficient to support the existing budget. There was considerable concern about the possibility of a significant increase in the rate of annual contributions of Parties, and about the future financial situation when realizing the growing programme of work of the Convention. After reviewing several options, the Committee instructed the Secretariat to prepare a proposal for a 'no-change' budget, i.e. the budget for the triennium 2003-2005 noted in the medium-term plan at CoP11. This budget reflects a 25 per cent increase in current Party contributions. The Committee also agreed that the Secretariat should prepare a document for information at CoP12 to indicate a budget that would reflect a zero growth in Parties' contributions. In this budget the Secretariat should indicate priority activities (based on the priority areas set out in Resolution Conf. 11.2) and should also indicate what activities it would be unable to carry out under a zero growth budget. These documents will be considered by the Committee at its 47th meeting.

#### Agreement with UNEP

45. At its 39th meeting, the Committee endorsed an agreement between the Standing Committee and the Executive Director of UNEP that clarified the relationship between CITES and UNEP. This agreement was signed by the Chairman of the Committee and the Executive Director of UNEP on 20 June 1997. It sets out the responsibilities of UNEP and the Committee, particularly in terms of personnel management of the CITES Secretariat and the financial management of the CITES Trust Fund. In the intervening period, there have been a number of concerns raised about the working relationship under the Agreement. At its 46th meeting, the Committee discussed these concerns and tasked the Chairman with reviewing the matter further. Following this review the Chairman recommended that the Agreement be revised to reinforce the need for the Executive Director to consult with the Committee prior to taking any action within his mandate and to more accurately reflect the responsibilities of the Secretary General.