

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



Seventeenth meeting of the Conference of the Parties  
Johannesburg (South Africa), 24 September – 5 October 2016

Implementation of the Convention

Trade control and traceability

ELECTRONIC SYSTEMS AND INFORMATION TECHNOLOGIES

1. This document has been prepared by the Secretariat, in consultation with Switzerland, as the former Chair of the Standing Committee Working Group on Information Technologies and Electronic Systems<sup>1</sup>.

Background

2. At its 16th meeting (CoP16, Bangkok, 2013), the Conference of the Parties adopted Decisions 16.54 on *Electronic Permitting* as follows:

***Directed to the Standing Committee***

16.54 *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) *collaborate with the CITES Secretariat in the drafting of funding proposals related to the development of CITES e-permitting systems;*
- b) *work with the United Nations Centre for Trade Facilitation and Electronic Business, the World Customs Organization and other relevant organizations to ensure that CITES e-permits are aligned with international trade standards and norms;*
- c) *collaborate with the UNEP World Conservation Monitoring Centre to further develop the Electronic Permit Information eXchange to act as a clearing-house of CITES e-permits and certificates and to offer Parties in developing regions a ready-to-use electronic CITES permitting system;*
- d) *work with the CITES Secretariat to ensure that the CITES toolkit is updated as necessary; and*
- e) *support the participation in the Working Group of developing countries party to CITES.*

3. The mandate of the Working Group on Information Technologies and Electronic Systems was extended by the Standing Committee at its 64th meeting (Bangkok, 2013), in order to initiate the implementation of Decision 16.54.

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<sup>1</sup> *The membership of the Working Group included: Australia, Belarus, Brazil, Canada, Czech Republic, France, Guatemala, Japan, Mexico, Monaco, Philippines, Portugal, Singapore, South Africa, Switzerland, Thailand, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Viet Nam, United Nations Conference on Trade and Development, UNEP-World Conservation Monitoring Centre and the World Customs Organization.*

4. Summaries of activities undertaken to implement Decision 16.56 are available in the reports of the Chair of the Working Group in documents SC66 Doc. 29 and SC66 Doc. 35 (Rev. 1), submitted at the 65th and 66th meetings of the Standing Committee (SC65, Geneva, 2014; SC66, Geneva, 2016).

#### Implementation of Decision 16.54

5. In compliance with Decision 16.54 paragraph a), the Chair of the Working Group, with the assistance of the Secretariat has reached out to potential donors, including the private sector, in an effort to secure financial support to developing countries wishing to implement CITES electronic permitting systems. At the time of writing however (April 2016), no funding arrangements had been identified.
6. In implementation of Decision 16.54 paragraph b), close collaboration continues with a number of partners. The CITES Secretariat and United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), are exploring how the development of traceability systems for CITES-listed species can be aligned with work related to CITES e-permitting systems<sup>2</sup>. The Secretariat has also met with the World Customs Organization (WCO) to discuss revisions to the WCO Data Model and how such revisions could impact on CITES e-permitting systems.
7. Cooperation is also ongoing with the United Nations Conference on Trade and Development (UNCTAD) to develop eCITES, a CITES-specific module in the Automated SYstem for CUstoms Data (ASYCUDA) system, that can act as a ready-made CITES e-permitting system for use by developing countries.
8. The CITES Secretariat has held meetings with the Secretariat of the International Plant Protection Convention (IPPC) to share experience on the development of electronic trade certificates and permits. IPPC has recently received funding from the WTO Standards and Trade Development Facility to develop ePhyto<sup>3</sup>, a voluntary system for the electronic exchange of phytosanitary certificates between national plant protection organizations, which has been encouraged by the IPPC Commission on Phytosanitary Measures. The work to develop ePhyto has many parallels to the work on CITES e-permitting systems, and the progress of the ePhyto project is expected to have significant impact on the CITES e-permitting discussion as well.
9. In implementation of Decision 16.54 paragraph c), the Chair of the Working Group met with the UNEP World Conservation Monitoring Centre (UNEP-WCMC) to discuss the development of the Electronic Permit Information eXchange (EPIX), which may act as a clearing-house of CITES e-permits and certificates. Switzerland is also supporting further development of UNEP-WCMC's EPIX system. Such a central clearing-house or registry would facilitate validation of CITES permit data by CITES Authorities and Customs officials and would function as a conduit for the exchange of permit information and electronic permits between e-permitting systems developed by Parties. UNEP-WCMC is in regular contact with Switzerland and the CITES Secretariat to report the progress in the development of the system.
10. The Secretariat also cooperated with UNEP-WCMC, Belgium, France and Switzerland on the development of a web function (Application Programming Interface) which allows Parties to extract from the CITES Checklist, among other things, scientific and common names of species and the associated Appendix listing status, directly into their national CITES electronic permitting systems.<sup>4</sup> This will support Parties to increase the accuracy and efficiency of maintaining data on CITES species for permit management and will allow them to more easily exchange permit data between their respective systems.
11. In implementation of Decision 16.54 paragraph d), the Secretariat ensured that Version 2 of the e-permitting Toolkit<sup>5</sup> fully supports the implementation of CITES e-permitting systems, which is aligned with Single Window environments and other data standards. The toolkit has been translated into French<sup>6</sup> and Spanish.

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<sup>2</sup> More information on discussions with UN/CEFACT on the possible development of standards to support traceability systems is available in document SC66 Doc. 34.1 (Rev. 1) (<https://cites.org/sites/default/files/eng/com/sc/66/E-SC66-34-01-Rev1x.pdf>).

<sup>3</sup> <https://www.ippc.int/en/ephyto/>

<sup>4</sup> See Notification 2015/056, concerning *Checklist of CITES species and Species+*: Web services now available to pull data from the *Checklist of CITES Species and Species+* (<https://cites.org/sites/default/files/notif/E-Notif-2015-056.pdf>).

<sup>5</sup> <https://cites.org/prog/e/e-permitting-toolkit.php>

<sup>6</sup> <https://cites.org/fra/prog/e/e-permitting-toolkit.php>

12. With regard to Decision 16.54 paragraph e), participation by developing countries in the Working Group is limited because of the lack of external financial support. This problem is critical in view of the investment by many developing countries to develop and implement CITES e-permitting systems.

#### Developments on e-permitting work among Parties

13. Several CITES e-permitting systems are currently being developed or implemented by Parties. One such system is a project launched by the Amazon Cooperation Treaty Organization (ACTO) to assist its member States to develop, implement or enhance existing CITES e-permitting systems. This is funded by the German KfW Development Bank. ACTO has recently developed an online training course, which is aimed at introducing users to CITES e-permitting and is targeted particularly towards CITES Management, Scientific or Enforcement Authorities in the ACTO member States. The course is available through the CITES Virtual College<sup>7</sup>.
14. Customs and CITES Management Authorities of France and Switzerland have implemented a project to provide for paperless trade in CITES-listed species. This will allow the exchange of electronic permits between the electronic permitting systems of the two countries. This pilot project will ascertain the possibility of implementing fully paperless import and export procedures and integration into the respective national Single Window environments. France and Switzerland are planning to test the system in late 2016, with the aim of putting it into operation before the end of 2016.
15. A number of other Parties are in the process of putting into practice CITES electronic permitting systems, which are in varying stages of development or implementation. The Chair of the e-permitting working group and the Secretariat are in close communication with some of them to support their work and to ensure that their systems are in line with the provisions and requirements of the Convention. In some cases, cooperation has also extended to private sector companies that are working on national Single Windows to implement CITES e-permitting. One example is the collaboration with the Société Générale de Surveillance (SGS)<sup>8</sup> to assist the Management Authorities of Madagascar and Mozambique. The Management Authority of Mozambique has recently submitted a formal letter of intention to incorporate the CITES permitting system into the Single Window and Customs Management System being operated by SGS Mozambique.

#### Consistency of existing Resolutions with e-permitting and paperless clearance processes

16. Potential benefits in implementing paperless permit issuance and import and export procedures include improved compliance, reporting, and monitoring and detection of corrupt practices. The World Customs Organization recognises that almost all customs' administrations process export, transport and import declarations using an automated system<sup>9</sup>. Resolution Conf. 12.3 (Rev. CoP16), paragraph XIV f) recommends that: "Export permits and re-export certificates be endorsed, with quantity, signature and stamp, by an inspecting official, such as Customs ..." This requirement does not align well with electronic, risk based border clearance processes being adopted or already in use by many countries around the world. It is timely to consider reviewing Resolution Conf. 12.3 (Rev. CoP16) during the intersessional period to better support the adoption of automated systems.

#### Observations

17. As noted above and in the reports to the Standing Committee, progress is seen on many fronts. This is not limited to e-permitting only but may also include various electronic systems that facilitate the management of CITES permits and certificates, and associated data. The current state of collaboration with various partners also indicates that there is an increasing trend towards paperless Customs transactions, in developed and developing countries. Continued effort is necessary to ensure that trade transactions in CITES specimens are not excluded from any changes made in the national Customs systems.
18. At its 66th meeting, the Standing Committee agreed to invite the Conference of the Parties at the present meeting to re-establish the Working Group on Information Technologies and Electronic Systems to work in collaboration with the CITES Secretariat. Potential donor Parties are invited to consider providing the

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<sup>7</sup> <https://cites.unia.es/>

<sup>8</sup> <http://www.sgs.ch/>

<sup>9</sup> [http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/single-window/~/\\_media/WCO/Public/Global/PDF/Topics/Facilitation/Activities%20and%20Programmes/Single%20Window/Compendium/PC\\_SWC\\_Vol\\_2\\_E.ashx](http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/single-window/~/_media/WCO/Public/Global/PDF/Topics/Facilitation/Activities%20and%20Programmes/Single%20Window/Compendium/PC_SWC_Vol_2_E.ashx)

financial support required to ensure that the working group, if established, can implement the work assigned to it.

19. Parties may also wish to consider how the working group, in collaboration with the Secretariat, could better provide capacity-building and advisory support to interested Parties in building their electronic CITES systems. Some Parties may initially be interested only in implementing IT-based solutions to enhance their management of CITES permits and certificates, while others may wish to go further to implement e-permitting systems. Supporting the exchange of experiences and best practices, as well as the development of relevant capacity-building tools for those Parties planning and implementing similar activities, would be vital to ensure that the individual projects remain interoperable and able to exchange information in the long term.
20. As seen in Document CoP17 Doc. 45 on *Traceability*, the Standing Committee has proposed that the Conference of the Parties consider the need for a uniform approach to the issue of traceability of trade in specimens of CITES-listed species and on a broader scale. It calls for the adoption of a new CoP Decision on *Traceability*. In the draft decision, the Standing Committee is directed to undertake a number of activities, which include "collaboration with the working group on e-permitting to ensure links between CITES permits and certificates and traceability identifiers".

#### Recommendation

21. In light of the above, the Conference of the Parties is invited to consider adopting the draft decision contained in Annex 1 to the present document.
22. The proposed draft decision, if adopted, would replace Decision 16.54, which can therefore be deleted.

DRAFT DECISIONS OF THE CONFERENCE OF THE PARTIES

Electronic systems and information technologies

**Directed to Parties**

- 17.AA Parties are encouraged to submit to the Secretariat information regarding their planned and ongoing projects related to the use of electronic systems and information technologies in improving the management of CITES trade, and regarding the lessons learned.

**Directed to the Standing Committee**

- 17.BB The Standing Committee shall re-establish the Working Group on Electronic Systems and Information Technologies to work in collaboration with the CITES Secretariat to undertake the following tasks:
- a) to further collaborate with the UNEP World Conservation Monitoring Centre on their development of the Electronic Permit Information eXchange (EPIX) system as a conduit for the exchange of CITES permits and certificates, and as a central registry to facilitate validation of CITES permit data by CITES Management Authorities and Customs officials;
  - b) identify where the progress in the EPIX system, and the subsequent facilitation of the reporting requirements of Parties, may potentially affect the provisions of Resolution Conf. 11.17 (Rev. CoP16) and the amendment of *Guidelines for the preparation and submission of CITES annual reports* distributed by the Secretariat.
  - c) to work with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), the United Nations Conference on Trade and Development, the International Trade Centre, the World Bank, the World Customs Organization, and the World Trade Organization in the context of the Agreement on Trade Facilitation, and other relevant partners, to continue the development of joint projects that would facilitate Parties' access to electronic permitting services and their alignment to international trade standards and norms, such as the revision of the CITES e-permitting toolkit and the development of the eCITES module in ASYCUDA;
  - d) to work with the Secretariat of the International Plant Protection Convention (IPPC) in the development of electronic trade documentation and learn from IPPC's efforts to develop electronic phytosanitary certificates; and
  - e) to monitor and advise on Parties' work related to the development of traceability systems for specimens of CITES-listed species to facilitate their harmonization with CITES permits and certificates.
- 17.CC The Standing Committee shall:
- a) review the progress of implementation of Decision 17.BB and make recommendations as necessary, including any suggestions for the revision of Resolution Conf. 11.17 (Rev. CoP16) and the amendment of *Guidelines for the preparation and submission of CITES annual reports* distributed by the Secretariat, to the 18th meeting of the Conference of the Parties; and
  - b) review the information submitted by Parties under Decision 17. AA, as well as the progress of implementation of Decision 17.BB and make recommendations as necessary, any suggestions for the revision of Resolution Conf.12.3 (Rev. CoP16) on permits and certificates to ensure the Resolution supports and is consistent with electronic, risk based border clearance processes, to the 18th meeting of the Conference of the Parties.

***Directed to the Secretariat***

17.DD The Secretariat shall, subject to the availability of external funding:

- a) publish on the CITES website the results of planned and ongoing projects undertaken by Parties related to the use of electronic systems and information technologies in improving the management of CITES trade, and the lessons learned, as submitted by Parties;
- b) communicate with national lead ministries responsible for the development of Single Window environments, to raise awareness of CITES and to ascertain the availability of financial support to assist CITES Management Authorities to develop CITES e-permitting systems; and
- c) provide capacity-building and advisory services to support Parties interested in implementing electronic solutions for the management of CITES permits and certificates.

TENTATIVE BUDGET AND SOURCE OF FUNDING  
FOR THE IMPLEMENTATION OF DRAFT RESOLUTIONS OR DECISIONS

According to Resolution Conf. 4.6 (Rev. CoP16) on *Submission of draft resolutions, draft decisions and other documents for meetings of the Conference of the Parties*, the Conference of the Parties decided that any draft resolutions or decisions submitted for consideration at a meeting of the Conference of the Parties that have budgetary and workload implications for the Secretariat or permanent committees must contain or be accompanied by a budget for the work involved and an indication of the source of funding. The Secretariat proposes the following tentative budget and source of funding for the work indicated in the draft decisions contained in Annex 1.

Secretariat:

The support required from the Secretariat as outlined in draft decisions could be accommodated within the daily work of existing Secretariat staff.

Committees:

The members of the Standing Committee working group are expected to provide active inputs in the implementation of Decision 17.BB through 17.DD.

Direct costs:

The development of EPIX as a conduit system for the exchange of permits and certificates would require funds. The initial funds will likely be towards testing the system with a selected number of countries. UNEP-WCMC will provide an indicative budget for this activity.

Development of the eCITES module in ASYCUDA, or any other electronic permitting services, may have cost implications, including the cost of the software rollout (installation, adaptation and initial troubleshooting) and training of relevant staff and users. The cost for this task may depend on the quote from ASYCUDA, but may be in the range of USD 100,000-200,000 per country/subregion. The funding for this work is yet to be identified.

The activities listed in Decision 17.BB through 17.DD may require funds to cover the costs associated with the travel of the working group member or Secretariat staff for meetings and collaboration with partners. The cost for this is estimated at USD 10,000-15,000.