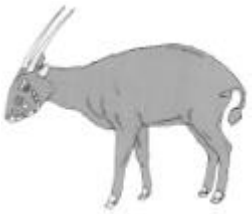
CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



Seventeenth meeting of the Animals Committee
Hanoi (Viet Nam), 30 July-3 August 2001

Implementation of Resolution Conf. 8.9

# AN INTRODUCTION TO THE SIGNIFICANT TRADE REVIEW PROCESS

This document has been prepared by the Africa Resources Trust, under contract to the CITES Secretariat, at the request of the Animals Committee.

## Article IV at the heart of CITES

1. The species included in Appendix II of CITES are not currently threatened with extinction, but may become so if trade is not regulated. Commercial international trade in these species may take place, but only if the Management Authority of the exporting State issues an export permit - and no such permits should be issued unless the Scientific Authority of the exporting State advises that the trade which is to take place will not be detrimental to the survival of the species. These requirements are laid down formally in Article IV, paragraphs 1 and 2(a) of the Convention and the role of the Scientific Authority is further elaborated in Resolution Conf. 10.3 adopted by the Parties in 1997.

2. In addition to the finding of "non-detriment" which is linked to each export permit, Article IV also charges the Scientific Authority of the exporting State with ongoing responsibilities with respect to trade in Appendix-II species. Paragraph 3 requires the Scientific Authority to monitor both the export permits issued and the actual exports. If there is a danger that the magnitude of exports over time is such that the species may be reduced to a level which compromises its role in the ecosystem[1] then it has to advise the Management Authority of suitable measures to limit the grant of export permits.

3. Diligent implementation of the provisions of Article IV is essential for the effectiveness of CITES. For example, during the development of the Convention it has become clear that trade is likely to take place at unsustainable levels if:

   a) There is no adequately functioning mechanism for the Scientific Authority to advise on the matter of detriment,

   b) The "non-detriment" finding is incorrect, or

[1] While this may be difficult to define, the text of the Convention states in addition that the species should remain well above the level at which it would become threatened with extinction.

c) The Management Authority issues an export permit irrespective of the advice of the Scientific Authority.

4. If a regime of unsustainable trade is not noted and rectified in the monitoring process expected of the Scientific Authority, then ultimately a proposal may be formulated by other Parties to the Convention for the inclusion of the species in Appendix I. If accepted by the Parties, then the problem will finally be addressed by the prohibition of all commercial trade.

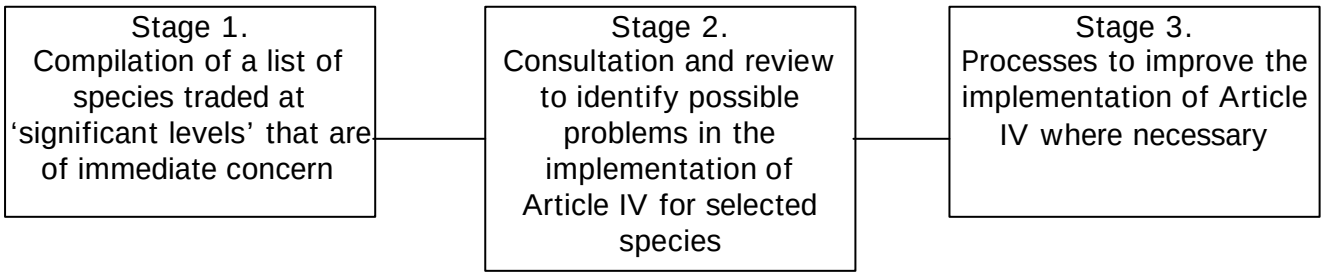
Problems in the implementation of Article IV

5. Since 1979 the Parties have been expressing concern that export permits are often granted for Appendix-II species to enter trade without the benefit of effective "non-detriment" findings. As a result, a process has evolved to ensure that the Parties can have confidence that the provisions of Article IV are being met and that any trade is sustainable. Today, both the Animals and Plants Committees of CITES have a specific mandate to identify Appendix-II species that are subject to significant levels of trade. To do so they are required to consult with range States, the CITES Secretariat and experts to review and assess relevant biological and trade information. If necessary, they can make recommendations for action by the range State with time limits for implementation.

6. The mandate for the Committees to implement this process is contained in Resolution Conf. 8.9 (Rev.)[2]. This resolution, entitled "Trade in Wild-caught Specimens", established the significant-trade review process as the guiding mechanism for remedial action when there is reason to believe that Appendix-II species are being traded at significant levels without adequate implementation of Article IV. The significant-trade review process, if implemented correctly, acts as a safety net for the Convention by ensuring that species do not decline while they are listed on Appendix II. If the appropriate corrective measures are taken at the appropriate time, then there should be a reduction in the number of animal and plant species that *need* to be transferred from Appendix II to Appendix I because they are endangered by international trade.

Outline of the Significant-Trade Review Process

7. Although complicated when considered in detail, in outline the significant-trade review process for Appendix-II listed species comprises three simple stages as follows:




8. In Stage 1, the Committees rely on trade data from the CITES database held by UNEP-WCMC to identify species that are traded at significant levels. It then uses information from the Secretariat and range States to compile a list of species that are of immediate concern. "Species" can mean any species, subspecies, or geographically separate population as defined in Article I of the Convention.

[2] First adopted at the COP 8 in 1992 and amended at COP 11 in 2000.

9. In Stage 2, consultants may be engaged to consult with the range States, compile and review information, summarising their conclusions in three categories as a basis for action. The Secretariat consults further with range States after which the Committees review all the available information and put the species into final categories for action as follows:

   a) Category 1 where data indicate that the provisions of Article IV are not being implemented,

   b) Category 2 where it is unclear whether Article IV is being implemented, and

   c) Category 3 where trade is evidently not a problem (these species are then eliminated from the process).

10. In Stage 3, the Secretariat transmits the Committee's concerns on Category 1 and 2 species to the range States concerned. Wherever a satisfactory response is received within 6 weeks the species in question is eliminated from the process. Where there is an unsatisfactory response the Committees make recommendations for action. These are transmitted to the range States by the Secretariat with a timeframe for implementation (90 days, 12 months or 2 years depending on the nature of the recommended action). If implementation by the range State is satisfactory then the Secretariat and Committees end the process for the species in question, though it may be reintroduced at a later stage if further concerns are brought forward. If implementation is unsatisfactory, the Secretariat will recommend strict measures to the Standing Committee, including the suspension of trade where appropriate, and the Parties are informed of any such decisions. Trade is only reinstated when the affected Party satisfies the Standing Committee on its compliance.

Broader Benefits of the Significant-trade review Process

11. When viewed in overall terms, the significant-trade review process is clearly a compromise in which Parties acknowledge that CITES has not operated as effectively as it should. They therefore established a framework to ensure that the Convention can achieve its objectives through a multilateral process involving a high degree of consultation and co-operation. Although the significant-trade review process can result in punitive measures where there are problems with the implementation of the provisions of Article IV, implicit in the implementation of the process is the fact that the species remains in Appendix-II allowing the range State to remain in control of trade in the species concerned and hence continue the sustainable exploitation of this natural resource. Furthermore, the use of the significant-trade review process, when there are problems with the implementation of Article IV, generally removes the need for importing countries to apply stricter domestic measures (such as import bans or externally-imposed export quotas for range states) on a unilateral basis. Another positive feature associated with the process is the fact that it can result in individual exporting countries being assisted to undertake field studies as well as to develop the technical and administrative capacity necessary to implement the requirements of Article IV if these are lacking.

Figure 1. Flow chart to outline the Significant Trade Review Process according to Resolution Conf. 8.9 (Rev.) and Decisions of the Conference of the Parties