

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



Seventieth meeting of the Standing Committee
Rosa Khutor, Sochi (Russian Federation), 1-5 October 2018

Interpretation and implementation matters

Trade control and traceability

TRACEABILITY: REPORT OF THE WORKING GROUP

1. This document has been prepared by Mexico and Switzerland as the Chairs of the Standing Committee Working Group on Traceability.*

Background

2. At its 17th meeting (CoP17, Johannesburg, 2016), the Conference of the Parties adopted Decisions 17.152-17.155 on traceability as follows:

Directed to the Standing Committee

17.152 *The Standing Committee shall, at its 68th meeting, establish a working group on traceability, which will work in collaboration with the Secretariat to:*

- a) *recommend a working definition of 'traceability' to assist Parties in work related to the implementation of traceability systems;*
- b) *encourage Parties that are developing traceability systems to ensure they are complementary, mutually supportive and standardized, as appropriate, and that they are adapted to the unique conditions relating to trade in CITES-listed species;*
- c) *provide general guidance on a mechanism to coordinate and oversee the development of traceability systems using lessons learned from the development of the global CITES permits and certificates system, global information and traceability systems, and other relevant initiatives;*
- d) *subject to the availability of external resources, and as appropriate, develop and make use of umbrella guidelines, and recommend standards, to develop traceability systems for different species that are mutually supportive and that generate standardized data;*
- e) *subject to the availability of external resources, analyse examples that describe CITES supply chains, including but not limited to those using Unified Modelling Language, and identify points throughout the supply chain where specimens should be located, verified,*

* *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.*

and its application defined, bearing in mind a wide range of production systems and life forms;

- f) take into account the work on e-permitting to ensure links between CITES permits and certificates and traceability identifiers;*
- g) collaborate with United Nations and other relevant organizations that have experience in the development and use of traceability standards and systems; and*
- h) draft a resolution on traceability, as deemed necessary, to be submitted to the Standing Committee, taking into account any relevant conclusions and recommendations of the report resulting from Decision 17.154, as appropriate, for consideration at the 18th meeting of the Conference of the Parties.*

Directed to the Parties

17.153 *Parties are invited to:*

- a) support the working group in its work on traceability;*
- b) inform the working group on the development of projects and on new information related to traceability in response to the Notification issued by the Secretariat under Decision 17.154;*
- c) adhere, as appropriate, to international standards and norms related to traceability systems in the development of these systems;*
- d) use data generated from traceability systems, as appropriate, in activities related to non-detriment findings and monitoring programmes; and*
- e) collaborate in the provision of capacity-building programmes that promote South-South and North-South cooperation in the development of traceability systems.*

Directed to the Secretariat

17.154 *The Secretariat shall issue a Notification, requesting Parties to provide information on the development of projects related to traceability.*

17.155 *Subject to the availability of external funding, the Secretariat shall:*

- a) develop a portal on the CITES website on traceability, to make available:*
 - i) recommendations by the working group on a definition of 'traceability', general traceability guidelines, and other relevant information;*
 - ii) information on new and ongoing projects, as well as existing systems, on traceability, including lessons learned;*
 - iii) information on global organizations working on traceability standards and systems; and*
 - iv) relevant documents, research papers and guidelines on traceability; and*
- b) in collaboration with the Standing Committee working group established under Decision 17.152 and UN/CEFACT, commission a report by a global organization or expert with experience in the development of standards related to traceability, to:*
 - i) describe a possible governance model (or models) for use in CITES traceability systems;*
 - ii) describe the CITES supply chain using Unified Modelling Language or a similar tool;*

- iii) *identify and recommend appropriate information exchange protocols and standards for use in CITES traceability systems;*
- iv) *describe a generic CITES traceability standard for use as a common model; and*
- v) *report to the Standing Committee on the conclusions of the report.*

Intersessional Working Group on Traceability

3. The Standing Committee at, its 69th meeting (SC69, Geneva, November 2017) agreed to establish the intersessional working Group on traceability with Mexico and Switzerland as co-Chairs to implement Decisions 17.152 to 17.155 with a mandate to:
 - a) recommend a working definition of 'traceability' to assist Parties in work related to the implementation of traceability systems;
 - b) encourage Parties that are developing traceability systems to ensure they are complementary, mutually supportive and standardized, as appropriate, and that they are adapted to the unique conditions relating to trade in CITES-listed species;
 - c) provide general guidance on a mechanism to coordinate and oversee the development of traceability systems using lessons learned from the development of the global CITES permits and certificates system, global information and traceability systems, and other relevant initiatives;
 - d) subject to the availability of external resources, and as appropriate, develop and make use of umbrella guidelines, and recommend standards, to develop traceability systems for different species that are mutually supportive and that generate standardized data;
 - e) subject to the availability of external resources, analyse examples that describe CITES supply chains, including but not limited to those using Unified Modelling Language, and identify points throughout the supply chain where specimens should be located, verified, and its application defined, bearing in mind a wide range of production systems and life forms;
 - f) take into account the work on e-permitting to ensure links between CITES permits and certificates and traceability identifiers;
 - g) collaborate with United Nations and other relevant organizations that have experience in the development and use of traceability standards and systems; and
 - h) draft a resolution on traceability, as deemed necessary, to be submitted to the Standing Committee at its 70th meeting, taking into account any relevant conclusions and recommendations of the report resulting from Decision 17.154, as appropriate, for consideration at the 18th meeting of the Conference of the Parties.
4. The membership of the Working Group was agreed as follows: Mexico and Switzerland (co-Chairs), Australia, Brazil, Canada, China, Colombia, Japan, Malaysia, Russian Federation, South Africa, United Arab Emirates, United States of America and Viet Nam; and Americas Fur Resources Council, Association of Fish and Wildlife Agencies, Environmental Investigation Agency, GS1 Switzerland, Humane Society International, International Union for Conservation of Nature, International Wood Products Association, Lewis & Clark – International Environmental Law Project, MEA Strategies, TRAFFIC, United Nations Conference on Trade and Development, United Nations Economic Commission for Europe, United Nations Environment Programme, and World Wildlife Fund.
5. The Standing Committee approved the work plan of the Working Group in Annex 1 of document SC69 Doc. 42.

UNCTAD consultancy to support the Working Group on traceability

6. The UNCTAD Biotrade initiative provided funds for a consultancy to support deliverables of the Working Group on traceability. The consultancy analysed the information on planned and ongoing traceability projects, identified best practices and lessons learned, and drafted recommendations and guidelines for CITES traceability systems for consideration by the Working Group. The terms of reference of the

consultancy was based on the mandate given in Decision 17.157 and approved by Mexico and Switzerland. The consultant worked closely with the Secretariat in drafting the documents.

7. The consultancy developed the following documents:
 - a) A working definition of traceability for CITES. The document provides a definition of important terms used in traceability and proposes a definition of traceability for use in the context of CITES.
 - b) A discussion paper on open, technical standards for traceability systems including a recommendation for Parties to consider the use of the UN/CEFACT traceability standard when implementing CITES traceability systems to ensure compatibility with CITES specifications for electronic permits. The document is provided as an information document.
 - c) A discussion paper on managerial best practice when planning and implementing CITES traceability systems. The paper recommends Parties follow whenever feasible the UNECE Framework to design Traceability Systems for Cross Border Trade¹ and proposes specific managerial best practice guidelines outlined when planning and implementing CITES traceability systems. The detailed practices guidelines are provided as an information document.
 - d) An Information paper that summarizes traceability systems as reported by the Parties following Notification to Parties No 20/038 2 b) as well as through submission of relevant documents to SC66, AC28 and CoP17. The document is provided as an information document.
8. The documents were presented by the UNCTAD consultant on the occasion of a meeting of the Working Group organised during SC69. After this meeting the Working Group continued its exchange of views by email.

Working definition of traceability in the context of CITES [17.152 a)]

9. In the discussion of a definition of traceability the Working Group members expressed very diverse expectations, requirements and constrains for CITES traceability. In addition, the implementation of a traceability system is strongly influenced by the characteristics of the specific supply chain in which the specimens are traded, the available technologies, the trading practice and market requirements, the legal environment and aspects of funding and cost recovery.
10. Participants also noted that traceability should not be regarded as an instrument to remedy shortcomings in the CITES permit process, that traceability requires formalised business processes and availability of electronic information, that exchange of information along the supply chain may be restricted by legal and technical factors.
11. Taking into account the many and diverse factors that determine CITES traceability the chairs suggested a working definition of traceability that allowed the Working Group to proceed and discuss the technical and managerial aspects of CITES traceability:
12. Working definition of traceability in the CITES context as used by the Working Group:

Traceability is the process to access information on specimens and events in a CITES species supply chain from harvest to subsequent transactions needed in order that authorities**, producers, traders, and consumers can substantiate both legal acquisition and non-detrimental findings.*

** This information should be carried from as close to the point of harvest as practicable and needed through to the end of the supply chain on a case by case basis and should be as widely available as possible. The traceability system needs to be designed for the specific products to be traced from particular sources to demonstrate legal acquisition, non-detrimental findings and to be tracked downstream.*

*** Authorities refer to Scientific, Management and Enforcement CITES Authorities and others such as Customs, etc.*

¹ ECE/TRADE/429, https://www.uncece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_429E_TraceabilityForSustainableTrade.pdf

Recommendations

13. The Standing Committee is invited to:

- a) take note of the progress of the WG;
- b) discuss the working definition of CITES traceability as outlined in paragraph 11 and if agreed, recommend Parties to use, where feasible, the agreed definition when planning traceability systems and to report to the Secretariat on experiences made;
- c) revise fulfilment of decision 17.152 and based on this revision, amend or draft new decisions for consideration by CoP18; and
- d) request the Secretariat to:
 - i) continue to provide information on traceability projects and latest developments on the CITES web page on traceability²
 - ii) continue to support Parties in the implementation of traceability systems
 - iii) continue working with UN/CEFACT and other relevant international organizations on the integration of CITES requirements into international standards and recommendations for traceability
 - iv) review reports submitted by Parties on their experiences in implementing traceability and to report as deemed necessary to the Standing Committee in the intersessional period following CoP17

² https://cites.org/eng/prog/Cross-cutting_issues/traceability