

DRAFT RESOLUTION OF THE CONFERENCE OF THE PARTIES\*

**Positive economic incentives and trade policy**

RECALLING the second paragraph of the preamble to the Convention, which stipulates that the Contracting States are conscious of the ever-growing value of wild fauna and flora from aesthetic, scientific, cultural, recreational and economic points of view;

REAFFIRMING the goals and objectives of the Strategic Vision through 2005 adopted at the 11th meeting of the Conference of the Parties, particularly Objectives 1.1, 5.1 and 5.4 aimed *inter alia* at assisting the Parties in the development of appropriate domestic legislation and policies that encourage the adoption and implementation of social and economic incentives, ensuring an optimal working relationship with UNEP, the Convention on Biological Diversity and other relevant multilateral environmental agreements, and at ensuring recognition and acceptance of CITES measures by the World Trade Organization;

WELCOMING the important progress made by the Convention on Biological Diversity on the use of economic incentives and, most notably, the proposals for the design and implementation of economic incentives contained in Annex I to decision VI/15 of the Conference of the Parties to the Convention on Biological Diversity;

STRESSING the importance of continuing and increasing close cooperation and coordination between CITES and the Convention on Biological Diversity in the performance of their respective mandates;

RECOGNIZING that the design and implementation of **positive appropriate economic incentives that take into account the effects on developing countries** could make an important contribution to achieving the goals of the Convention and that the sustainable use of wild fauna and flora, whether consumptive or non-consumptive, provides an economically viable land-use option;

RECOGNIZING that sustainable and efficient use of wild fauna and flora may be beneficial to the conservation of species and can contribute to rural development and national economies;

CONSIDERING that conservation of wild fauna and flora entails significant costs and should take into account the needs of the developing countries, in particular of their indigenous people and other local communities;

RECOGNIZING also that the revenues from sustainable and efficient wildlife trade may provide funds and incentives to support the management of wild fauna and flora and to curb illegal trade;

RECALLING the relevant principles of the Rio Declaration on Environment and Development, particularly Principle 16 that calls upon national authorities to promote the internalization of environmental costs and the use of economic instruments;

RECALLING Principle 12 of the Rio Declaration on Environment and Development, which states that trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade and that unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided;

**RECALLING also paragraph 91 of the plan of implementation of the World Summit on Sustainable Development regarding a continuous enhancement of the mutual supportiveness of trade, environment and development with a view to achieving sustainable development through actions at all levels;**

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\* This document was prepared by a drafting group of Committee II on the basis of document CoP12 Doc. 18 Annex 1.

RECOGNIZING that CITES participation could provide significant input to the negotiations on trade and environment and other relevant negotiations in the World Trade Organization;

THE CONFERENCE OF THE PARTIES TO THE CONVENTION

ENCOURAGES all Parties to consider the use of **positive** economic incentives **taking into account the effects on developing countries** in their national policies concerning the management and conservation of CITES-listed species, as part of the process of developing national and regional biodiversity conservation strategies, to:

- a) ensure that trade in Appendix-II species is sustainable and in compliance with Article IV of the Convention;
- b) promote the recovery of Appendix-I species so that they may no longer meet the criteria for inclusion in Appendix I;
- c) create mechanisms whereby direct and indirect economic benefits and income derived from trade in CITES-listed species can be reinvested by authorities and other beneficiaries in management and conservation of these species and their habitats; and
- d) halt if not reverse the decline of certain populations of CITES-listed species;

ENCOURAGES all Parties to remove or mitigate ~~so-called perverse economic incentives, that is,~~ those policy measures that compromise the conservation status of CITES-listed species or their ecosystems;

URGES all Parties to ~~avoid where possible the application of stricter domestic measures and to~~ favour multilateral collaboration in the adoption of **positive** incentive measures **taking into account the effects on developing countries** at the international level;

~~CALLS UPON the Parties that decide to take stricter domestic measures to do so in a manner which would not constitute a means of arbitrary or unjustifiable discrimination between Parties, or a disguised restriction on international trade, and to ensure that those measures are appropriately targeted to a specific situation;~~

ENCOURAGES Management Authorities to work with sectoral ministries and agencies responsible for trade in their countries to promote harmonious coexistence and mutual understanding of the objectives of both CITES and the World Trade Organization, and Parties to coordinate, at the national level, the activities of their trade agencies and environment agencies to ensure that positions presented in the CITES and the World Trade Organization context are mutually supportive;

ENCOURAGES all Parties to take into account the needs of indigenous people and other local communities when adopting trade policies concerning wild fauna and flora;

ENDORSES the efforts of the Secretariat, with the assistance of the UNEP-Economic and Trade Branch in its capacity as facilitator, ~~to ensure continuing recognition and acceptance of CITES measures by the World Trade Organization and~~ to ensure the mutual supportiveness of the decision-making processes between **CITES and the World Trade Organization** ~~these bodies~~;

INSTRUCTS the Secretariat to seek to obtain observer status for attending relevant sessions and negotiations in the World Trade Organization;

INVITES competent international organizations, including private sector actors such as enterprises, Non-Governmental Organizations and consumers, to support the efforts of Parties in their work on economic incentives, in particular through the dissemination of information, the provision of expertise and technical guidance, and training; and

INVITES all Parties, governmental, intergovernmental and non-governmental organizations to provide further financial and technical assistance for the implementation of this Resolution.