

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

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

Interpretation and implementation of the Convention

Regular and special reports

Report on national reports required under Article VIII, paragraph 7, of the Convention

ANNUAL REPORTS

1. This document has been prepared by the Secretariat. Draft amendments to Resolution Conf. 11.17 are attached as Annex 1. A new draft decision is attached as Annex 2. The Secretariat's records of 1991-2001 annual report submissions as of 31 July 2002 are attached as Annexes 3a and 3b. The related report by UNEP-WCMC is attached as Annex 4.

Background

2. Resolution Conf. 11.17 recognizes the importance of annual reports as the "only available means" of monitoring the implementation of the Convention and the level of international trade in specimens of CITES-listed species. Among other things, this monitoring helps to assess the effects of trade on wild populations and to detect possible violations of the Convention.
3. Through meeting reports, decisions of the Conference of the Parties or of the Standing Committee, Notifications to the Parties and direct correspondence, Parties have been urged to provide complete, accurate and timely annual reports. To facilitate the production of annual reports, Parties have agreed on a standard format and a deadline for their submission, guidelines for report preparation that ensure a certain level of data quality, assistance with report preparation, methods for analysing and using data compiled from the reports, the need to link annual reports to other reports and means for improving compliance with this key Convention requirement.
4. These measures, and the use of a broader network of contacts including regional representatives and diplomatic missions, have elicited more and better reports on various occasions but improved levels of reporting have not proven sustainable. Reporting still appears to be viewed as a burdensome obligation rather than a useful management tool at national and international levels. Ideally, annual reports should be one of various outputs from an information management system that records and monitors daily trade-related and other activities undertaken by CITES authorities. When fed into a global data system, such information provides the basis for comparative trade analysis, the Review of Significant Trade, identification of Parties with high trade volume under the National Legislation Project, the overall review of compliance with and enforcement of the Convention, quota management and reports to various fora.

Submission

Decisions 11.33, 11.34, 11.37 and 11.89

5. Since the Convention's entry into force, on-time submission levels for annual reports have waxed and waned between 60 per cent and 35 per cent. Overall submission levels can reach 80 per cent or higher

about three years after the deadline for a particular annual report but the trade data being reported are quite old by that time. Correspondence from Parties indicating a particular report will be late is increasingly rare. For example, 34 annual reports for the year 2000 were submitted after the deadline of 31 October 2001 and 48 still have not been submitted as of 31 July 2002, but only one Party advised the Secretariat that its annual report would be late. Parties have cited institutional restructuring, civil unrest, lack of staff, administrative burden, more important compliance priorities and computerization difficulties as justifications for the late or non-submission of annual reports. Nevertheless, these difficulties do not seem to prevent CITES trade from occurring. Some Parties also have very little trade, which would not appear to require much effort and time to report.

6. The failure to submit annual reports does not necessarily seem to be a function of a country's extent of development but rather a question of political will and administrative organization. Decision 11.34 urges Parties to identify the main causes of late submission and to take urgent steps to remedy the situation. Decision 11.33 urges Parties to inform the Secretariat urgently if their regular non-submission of annual reports can be remedied through the provision of technical assistance. To date, however, the Secretariat has received very few direct requests for assistance in the preparation of annual reports. Since CoP11, only Suriname and Yemen have availed themselves of the opportunity to have their annual reports compiled by UNEP-WCMC. Members of the Standing Committee have expressed appreciation for this option, and it seems a viable alternative for a number of Parties. It is therefore rather puzzling that more Parties do not take advantage of this standing offer of assistance. Even when specifically encouraged to make use of UNEP-WCMC support, countries have chosen not to do so. A number of Parties do regularly provide copies of their permits to the Secretariat or UNEP-WCMC, however, and these are very useful in verifying or completing annual report data and in dealing with allegations of permit fraud.
7. Political and administrative attention is drawn to CITES reporting in countries where legislation makes the submission of periodic reports a specific requirement or an express task of the CITES Management Authority. Accordingly, the Secretariat has been encouraging such provisions under the National Legislation Project. Linking CITES reporting to broader biodiversity or state-of-the-environment reporting should also increase its visibility to, and consequently support from, policymakers.
8. Annual reports are increasingly submitted in electronic format, and UNEP-WCMC believes a number of others could be submitted in this format as well. Many Parties still need assistance, however, with the development of simple and effective computerized approaches to wildlife information management and the preparation of periodic reports. The Standing Committee's Work Plan for Objectives 1.4 and 1.5 of the *Strategic Vision through 2005* should guide further efforts to address this need. Agreed activities include the development of a questionnaire, analysis of the results and distribution to Parties for review, and preparation of a final report including a strategy for future action. The trend towards electronic permitting also has implications for annual reports, particularly if the Parties are interested in exploring a coordinated global system for the issuance and monitoring of CITES permits and certificates.
9. Since CoP8 Parties have decided that the failure to submit annual reports by the 31 October deadline constitutes a major problem with the implementation of the Convention. They have also decided that the Secretariat should refer such failures to the Standing Committee for a solution in accordance with relevant decisions on compliance and enforcement. Decision 11.89 of the Parties went further and instructed the Standing Committee to determine, on the basis of reports submitted by the Secretariat, which Parties have failed (without having provided adequate justification) to provide annual reports for three consecutive years. Decision 11.37 then recommended that Parties not authorize trade with any Party subject to such a Standing Committee determination.
10. Notification to the Parties No. 2000/057 (29 September 2000) subsequently listed 53 Parties that could become subject to a recommendation to suspend trade. By the 45th meeting of the Standing Committee (Paris, June 2001), the number of affected Parties had declined. Nevertheless, the Chairman noted that the Standing Committee was not comfortable with Decision 11.89 of the Conference of the Parties and did not want to proceed to cite countries with which trade should be suspended. It was suggested that Decision 11.89 should apply only in the case of reports due from 1997 onwards. The

Committee agreed it would make no determination at that time regarding Parties that had failed to provide annual reports. It then instructed the Secretariat to prepare for consideration at the 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.

11. By the 46th meeting of the Standing Committee (Geneva, March 2002), the number of affected Parties had further declined. The Standing Committee again decided it would make no determination at that time regarding Parties that had failed to provide annual reports. It agreed, however, to decide at its 47th meeting (Santiago, 1-2 November 2002) whether or not the affected Parties that had not submitted their annual reports or had provided adequate justification for not doing so. The Committee reviewed the Secretariat's document on "Possible measures for non-compliance" (SC46 Doc. 11.3) and instructed the Secretariat to elaborate the document for CoP12, incorporating the points made by Standing Committee members during their discussion on the item (see CoP12 Doc. 26).
12. Decisions 11.37 and 11.89 were adopted to provide serious measures in case of persistent late or non-submission of annual reports. The threat of a recommendation to suspend trade (and several reminders from the Secretariat) helped to obtain more annual reports, even though these non-compliance measures were not applied at the time of SC45 or SC46. UNEP-WCMC's 2001 report to the Secretariat noted that 158 partial or complete reports were received in 2000 and 179 in 2001, while only 80 were received in 1999. Nevertheless, 11 Parties remain potentially affected by Decisions 11.37 and 11.89 as of 31 July 2002. Moreover, as mentioned above, some slippage appears to be occurring again in relation to the annual reports for 2000.

Quality

Decisions 11.35, 11.99, 11.154 and 11.156

13. Many Parties generally prepare and submit their reports in accordance with the *Guidelines for the preparation and submission of CITES annual reports*. The Guidelines constitute a 'living' document and are amended from time to time by the Secretariat with the concurrence of the Standing Committee. The most recent version was distributed in April 2002 with Notification to the Parties 2002/022. As detailed in UNEP-WCMC's report (Annex 4), however, a number of annual reports still do not comply with the Guidelines. This poses a problem because the Guidelines are meant to ensure a certain level of comparability of annual reports so that they can be used as a reliable basis for decision-making.
14. The Secretariat has become increasingly concerned about the submission of incomplete reports that only cover trade in certain wildlife categories or at certain governmental levels. Separate or sectoral reporting generally results from the division of government responsibilities set forth in organic law. It is extremely important, however, that Parties with multiple management authorities work towards the submission of a coordinated annual report that brings together reports from various sectors (e.g. fauna, flora, fisheries, forestry, enforcement or trade) and sub-national levels (e.g. autonomous regions, provinces or states). This facilitates coordinated and holistic management of CITES trade and helps to ensure there are no gaps in the data. In cases where reports from certain sectors or government levels are missing or submitted quite late, such a practice should also result in more complete and timely reports that give a better picture of overall trade, allowing trends to be detected and comparisons to be made. This type of coordination also is consistent with Article IX of the Convention, which envisages a single management authority authorized to communicate with other Parties and with the Secretariat.
15. The coordination of reports from multiple management authorities also should help Parties strengthen institutional collaboration and thereby improve implementation of the Convention. Parties with bodies or mechanisms to ensure regular coordination among management authorities, scientific authorities and enforcement authorities or broader coordination committees for all environmental conventions, sustainable development or environment and trade coordination can use them to promote more coherent

management and reporting of all wildlife resources in international trade that are covered by CITES. Under the National Legislation Project, the Secretariat has been encouraging the designation of a lead management authority and inclusion of these coordination arrangements in CITES-related legislation. The need to improve coordination among CITES authorities also has been highlighted in the *Strategic Vision through 2005* and further emphasized in the Standing Committee's Work Plan.

16. Decision 11.156 instructs the Secretariat to investigate the reasons for non-reporting on timber trade, in particular by importing countries. The 2002 report by TRAFFIC on "CITES Appendix-III implementation for big-leafed mahogany *Swietenia macrophylla*" states that annual reporting of trade in the species has "improved significantly" since it was listed in Appendix III. Historically, importing countries have not always tracked timber shipments in the same way as they track shipments of other CITES-listed species and this has accounted for a lack of reporting. Now that timber trade is more regularly controlled, the reporting problem has largely been resolved.
17. The efforts to develop and strengthen wildlife information management systems mentioned earlier should contribute to improvements in report quality as well as report submission. For example, such efforts should lead to more reporting of plant trade as urged in Decision 11.35. The reporting of hard corals (Decisions 11.99 and 11.154) should be assisted by the recent adoption of relevant recommendations by the Animals Committee as to which taxa need to be identified to the genus level and which to the species level.
18. The quality of reporting on quotas was raised as a concern in the UNEP-WCMC report to CoP11. It is expected that this issue will be further explored in connection with documents CoP12 Doc. 49, CoP12 Doc. 50.1 and CoP12 Doc. 50.2.

Analysis/use

19. Several Parties include national trade analyses within their annual reports showing, for example, comparative trade levels in certain species or trade trends over time. Trade-monitoring data for Appendix-II species regularly allow a Party to determine whether exports need to be limited in order to maintain a species "throughout its range at a level consistent with its role in the ecosystems in which it occurs and well above the level at which the species might become eligible for inclusion in Appendix I" (Article IV, paragraph 3).
20. Global CITES trade data are analysed and used by Parties, non-Parties, CITES committees, working groups, the Secretariat, NGOs, traders, researchers and individuals. The 2001 report of UNEP-WCMC to the Secretariat showed an increase of 17 per cent (compared to the year 2000) in the number of requests for information from CITES authorities. Out of 90 requests, however, only 13 were from developing countries. Moreover, UNEP-WCMC still receives far more requests for information from private sector parties (e.g. NGOs, researchers, traders, individuals) than national CITES authorities. As a result, the Secretariat has been using every opportunity (e.g. correspondence, missions, workshops and meetings) to encourage Parties to take advantage of the CITES trade database and the related services of UNEP-WCMC.
21. The nature and sophistication of CITES trade data examination performed by UNEP-WCMC has evolved over the years. So far, their reports to the Conference of the Parties have focused on compliance with the annual report obligation and the Guidelines largely because the lack of complete, accurate and timely data has been an obstacle to better substantive and comparative analysis. UNEP-WCMC, however, also regularly prepares detailed trade data and some desktop reviews of the biological and trade status of species for the Review of Significant Trade, assessments of trade volumes for the National Legislation Project and trade data comparisons for CITES capacity-building workshops.
22. Recently, the Secretariat and UNEP-WCMC have tried to identify ways in which the CITES trade data could be presented in a more user-friendly format and interpreted more easily to show an overall picture of trade, trends or patterns over time, or specific potential problems at the national, regional or global

level. In this connection, new consideration has been given to the feasibility and desirability of producing a "Yearbook of International Wildlife Trade" proposed some years ago.

23. In 2001 the Secretariat commissioned a study that resulted in a report entitled *CITES Trade Data: An Under-utilized Wildlife Resource* (IUCN/SSC Wildlife Trade Programme and TRAFFIC International with input from RBG Kew and UNEP-WCMC, 2002). This report outlines several graphic review tools (reflecting a geographic, taxonomic, comparative and source analysis approach) that could be used to make CITES trade data more useful to CITES authorities in their management of and decision-making about wildlife resources. Such tools could be used, for example, in relation to species with potentially unsustainable levels of trade, species with higher economic value or endemic species. Some of these graphics were presented to Scientific and Management Authorities during CITES capacity-building workshops, and Parties showed great interest in their potential use. UNEP-WCMC has undertaken to investigate the feasibility of implementing some or all of these analytical tools, and the Secretariat will inform the Parties of progress in due course.

Links to other reporting

24. In addition to annual reports, Parties also prepare biennial reports, species-specific reports, ECOMESSAGES, and other special reports. The Secretariat is keen to find ways to reduce the reporting burden on Parties through the consolidation of CITES-related reports wherever possible (e.g. merging the reporting on leopard and markhor hunting trophies into the annual report as recommended in documents CoP12 Doc. 23.1.1 and CoP12 Doc. 23.2 and eliminating reports on mortality as recommended in document CoP12 Doc. 25). In addition to reducing the quantity of reports, the Secretariat is interested in enhancing the usefulness of CITES reporting. For example, consideration could be given to the incorporation of annual reports into national planning and programming.
25. The Secretariat has discussed with interested Governments, the secretariats of biodiversity-related conventions and various IGOs and NGOs the options for streamlining and harmonizing national biodiversity reporting. These discussions have recognized that the nature of CITES annual report trade data is quite unique. Nevertheless, CITES reporting is a component of the UNEP-facilitated harmonization pilot project undertaken by the Seychelles to assess the potential for producing a consolidated national report responding to the needs of several conventions. It also is worth exploring, in the context of the information management systems for CITES data mentioned above, the integration of CITES data with other biodiversity or environmental or trade data at the national level. In this connection, it would be useful to link the wildlife trade data in CITES annual reports more closely to population statistics for animals and plants in the wild, information on available habitats, trends in population and habitat, the nature and scope of domestic consumption and total off-take figures. The new data management platform being developed at UNEP-WCMC may facilitate this process. Another promising development is the inclusion of CITES information in an inventory of major international environmental databases compiled by the United Nations Economic Commission for Europe for the third session of the Ad Hoc Working Group on Environmental Monitoring (Geneva, 29-30 August 2002).
26. The Secretariat has engaged in general information exchange with a number of partners and increasingly tries to identify specific kinds of substantive information that could be obtained and used to benefit the Convention (e.g. FAO information on marine species; CBD information on sustainable use; CMS information on the status of populations and their habitat; OECD information on economic instruments; WTO trade data and analyses; and IUCN information on the species addressed by specific international legal instruments and national laws).

Conclusions

27. It has been shown that reporting facilitates compliance. High reporting levels and good quality data are key indicators of the effectiveness of a multilateral environmental agreement. Unfortunately, facilitative and punitive measures introduced over the years have not managed to bring about the consistent submission of timely and high-quality annual reports. Accordingly, the Secretariat believes fresh thinking

about the issue is needed, particularly to identify, analyse and address the causes of variable reporting. A comprehensive review of CITES reporting requirements can also build upon and integrate the various initiatives already being undertaken to streamline reporting and make it more meaningful. Such a review might be done by the Implementation Committee proposed in document CoP12 Doc. 13.3, if it is established, or otherwise by a working group established by the Standing Committee.

Actions required

28. The Secretariat requests the Conference of the Parties to:

- a) Adopt the amendments to Resolution Conf. 11.17 contained in Annex 1.
- b) Adopt the draft decision contained in Annex 2.
- c) Delete Decisions 11.33, 11.34 and 11.35 as they are no longer needed in view of the draft amendments to Resolution Conf. 11.17 contained in Annex 1 and the draft decision contained in Annex 2.
- d) Delete Decision 11.36 as it seems this approach has not resulted in many (or any) exchanges of annual reports and the issue of access to annual reports is addressed in the draft decision contained in Annex 2.
- e) Delete Decisions 11.37 and 11.89 as they have served their purpose in bringing about an increase in submitted reports for the years 1995-1999.
- f) Delete Decisions 11.99, 11.154 and 11.156 as the issues they address have been resolved.

DRAFT AMENDMENTS TO RESOLUTION CONF. 11.17

THE CONFERENCE OF THE PARTIES TO THE CONVENTION

URGES all Parties to submit their annual reports required under the provisions of Article VIII, paragraph 7 (a), of the Convention in accordance with the "Guidelines for the Preparation and Submission of CITES Annual Reports" distributed by the Secretariat with Notification to the Parties No. ~~798-2002/022~~ dated ~~10 March 1994~~^{9 April 2002}, as may be amended by the Secretariat from time to time with the concurrence of the Standing Committee;

FURTHER URGES Parties with multiple management authorities to submit a coordinated annual report;

...

URGES every Party to consider whether the preparation of its statistical reports could be computerized **and the submission of such reports made in electronic format**, ~~or undertaken under a contract between the Party and the Wildlife Trade Monitoring Unit of the UNEP World Conservation Monitoring Centre;~~

FURTHER URGES Parties experiencing problems with the regular preparation and submission of annual reports to seek assistance from the Secretariat to produce those reports;

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DRAFT DECISION OF THE CONFERENCE OF THE PARTIES

Regarding implementation of Resolution Conf. 11.17

- 12.xx. a) [The Implementation Committee shall] [The Standing Committee shall establish a Working Group on Reporting to] undertake a review of the reporting requirements under the Convention with a view to identifying and analysing the causes of non-compliance with those requirements and proposing ways to turn reporting requirements into useful management tools for Parties.
- b) The [Implementation Committee] [Working Group on Reporting] shall review the:
- i) various reporting requirements under the Convention and Resolutions and Decisions of the Conference of the Parties (e.g. annual reports, biennial reports, special reports, etc.);
 - ii) feasibility and desirability of undertaking analyses of Parties' capacity to produce complete, accurate and timely reports;
 - iii) possible inclusion of CITES reports in broader biodiversity or state-of-the-environment reports;
 - iv) experience of other conventions in facilitating Parties' compliance with reporting requirements;
 - v) sufficiency of the existing Guidelines for the preparation and submission of CITES annual reports;
 - vi) actions needed to make better use of CITES data through graphic review tools, building on the report on *CITES Trade Data: An Under-utilized Wildlife Resource*, and to develop the searchability of such data on the CITES website;
 - vii) desirability and feasibility of producing an International Yearbook on Wildlife Trade;
 - viii) work of the Standing Committee related to information management systems;
 - ix) additional financial or technical assistance that might facilitate reporting;
 - x) implications of technological developments such as electronic permitting;
 - xi) desirability and feasibility of a coordinated global system for the issuance and monitoring of CITES permits and certificates;
 - xii) accessibility of annual reports;
 - xiii) consequences of persistent late or non-submission of reports, despite assistance;
 - xiv) possible need to revise or draft relevant Resolutions of the Conference of the Parties; and
 - xv) necessary funding from the CITES Trust Fund or external sources that is required to implement actions that are proposed.
- c) The [Implementation Committee] [Working Group on Reporting] shall report to the 13th meeting of the Conference of the Parties.

