The delegation of the Netherlands reminded participants that, following its enlargement, the European Community, on whose behalf they customarily spoke at the meeting, now comprised 25 Member States, all of which were Parties.

**Strategic and administrative matters**

13. **Economic incentives and trade policy**

The Secretariat presented document CoP13 Doc. 13 (Rev. 1), and the Chairman referred the Committee to the draft decisions relating to national trade policy reviews in Annex 3. The delegation of New Zealand commended the progress under Decision 12.22 in promoting the use of economic incentives to encourage sustainable trade. General approval of the principle of using economic incentives as described in the document was echoed by the delegations of Australia, Bolivia, Colombia, India, Indonesia, Saint Lucia and Uganda. The delegations of Colombia, Saint Lucia and Uganda specifically supported the draft decisions relating to trade policy review, but the last-mentioned suggested a clarification that the review would relate only to wildlife trade. The delegation of Indonesia approved of the Secretariat's suggestion to delete Decision 12.22. The delegation of the Netherlands, on behalf of the 25 Member States of the European Community, encouraged Parties to undertake national trade policy reviews and highlighted the possibility of the Secretariat submitting a project proposal to the Global Environment Facility for support.

The delegation of New Zealand believed that some of the objectives expressed in the draft decisions of document CoP13 Doc. 13 (Rev. 1) were beyond the scope of CITES. They, and the delegations of Australia and the United States of America, had concerns about the financial implications of any future work on economic incentives. The Secretary-General emphasized that the work referred to in the draft decisions was contingent on external funding and would not require significant resources from the Trust Fund. The delegations of Indonesia and New Zealand thought the voluntary nature of involvement in national trade policy reviews should be accentuated, while the delegation of India could not support any attempt to influence national legislative processes. The delegation of Australia added that the methodology of the reviews should consider all international obligations of the Party concerned.
The representative of UNEP outlined his organization's involvement in work on economic incentives for sustainable trade, which focused on enhancing coordination of work in this arena, including through the use of multilateral environmental agreements. The representative of UNCTAD offered the cooperation of his organization for CITES ventures in the use of trade as an incentive for conservation.

The draft decisions in the section entitled "National trade policy reviews" of Annex 3 of document CoP13 Doc. 13 (Rev. 1) were accepted, with the insertion of the word wildlife before "trade" in the title and in the text of the second draft decision.

Regarding the third and fourth draft decisions in Annex 3, the delegation of Australia, supported by the delegations of Argentina and the United States of America, emphasized that there was no single blueprint for economic incentives, and these had to be designed and implemented on a case-by-case basis. The delegation of Australia therefore recommended that a second workshop not be organized, saying that further discussion by experts was not a priority. Stressing that CITES work on wildlife trade policies and economic incentives should be Party-driven, they recommended consideration of continuing work on a country-by-country basis under Decision 12.22. The delegation of the United States added that, although the workshop in December 2003 had generated useful ideas, a second workshop would be neither effective nor appropriate as a way to proceed. The delegation of Saint Lucia was concerned that they had not been able to attend the 2003 workshop, owing to a lack of funding, and stressed that it was important that Small Island Developing States and developing countries be fully involved in this CITES process. The Secretary-General suggested that an additional workshop might be useful for countries, such as Small Island Developing States, that had not been involved in the earlier workshop, but suggested that the reference to the second workshop could be removed in the third draft decision if there were continued objections.

The delegation of Colombia called for support for regional cooperation on economic incentives. The delegation of Bolivia and the observer from Fauna and Flora International supported the draft decisions and the observer from TRAFFIC supported work on economic incentives, suggesting that this should be linked to relevant work under the Convention on Biological Diversity (CBD). The observer from Defenders of Wildlife stated that the Convention's limited resources would be better directed at improving enforcement. The observer from the Global Tiger Forum allied himself with the positions taken by the delegations of Argentina, Australia and the United States.

The delegation of the Netherlands, on behalf of the Member States of the European Community, proposed that the third draft decision might be redrafted. They suggested that Parties report their needs for further work under this agenda item to the Secretariat, which would then defer to the Standing Committee for a decision on whether or not to hold a second workshop, dependent on an assessment of the need for this and availability of funds. The Chairman requested that the Netherlands provide proposed text for this amendment, in writing, for review by the Committee, taking into consideration a concern expressed by the delegation of the United States that there might be duplication with parts of the second draft decision already accepted by the Committee. In response to a concern of the delegation of the United States relating specifically to the funding of activities directed in the fourth draft decision, the Chairman suggested adding Subject to the availability of funding before 'The Secretariat shall continue'. With this amendment, the fourth draft decision was accepted.

Interpretation and implementation of the Convention

Exemptions and special trade provisions

56. Operations that breed Appendix-I species in captivity for commercial purposes

56.3 Relationship between ex situ breeding and in situ conservation

The Chairman of the Animals Committee introduced document CoP13 Doc. 56.3.1, noting that, despite several years work, it had not been possible to reach concrete conclusions. He highlighted the recommendation in paragraph 10 to refer issues regarding the relationship between ex situ breeding operations and in situ conservation of CITES-listed species to the Standing Committee which, acting as a clearing house, could direct them to the appropriate
CITES bodies. The Secretariat clarified that the clearing-house function of the Standing Committee was a new initiative and suggested adoption of a new decision directed to the Standing Committee, for which the Secretariat would provide the text, to decide the appropriate way to continue.

Pointing out some of the inherent problems with the subject, the delegations of the Bahamas and India supported the recommendation. The delegation of the Netherlands, on behalf of the Member States of the European Community, and the observer from TRAFFIC noted that the outcome of discussions should be in conformity with decisions of the CBD and suggested that the issue could be referred to the working group on economic incentives. The delegation of Japan regarded it as premature to adopt the recommendation but considered that it could be included in a joint work plan of CITES and CBD.

The delegation of the United States, supported by the delegation of Israel, did not consider the issue strictly relevant to CITES and could not support the recommendation.

The Chairman then invited the delegation of Mexico to introduce document CoP13 Doc. 56.3.2, noting that it was closely related to the document under discussion and offered another approach. The draft resolution annexed to document Doc. 56.3.2 was generally supported by the delegations of the Bahamas, Bolivia, Brazil, Chile, China, India and Malaysia, and the observer from WWF.

The delegation of Switzerland, supported by the delegation of China, questioned whether it was appropriate to direct recommendations to ex situ breeding operations, which were often private organizations, as was done in paragraph b) of the draft resolution. He suggested that the paragraph should instead be directed to Parties to take actions in relation to those breeding operations. The delegations of Bolivia and Brazil suggested that additional preambular text be included referring to the CBD. The delegation of the Netherlands, on behalf of the Member States of the European Community, were not convinced by the approach suggested by Mexico and favoured further examination in the context of the joint working programme of CITES and CBD.

The Chairman suggested that Mexico, with assistance from other interested Parties, particularly Bolivia, Brazil and Switzerland, revise the draft resolution, on the basis of comments made, for consideration at a future session of the Committee.

The session was closed at 11h55.