

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



Eighteenth meeting of the Conference of the Parties
Colombo (Sri Lanka), 23 May – 3 June 2019

Interpretation and implementation matters

General compliance and enforcement

CITES COMPLIANCE MATTERS

1. This document has been prepared by the Secretariat.
2. It should be read in conjunction with document CoP18 Doc. 28 on the establishment of a compliance assistance programme, the report of the chair of the Standing Committee, CoP18 Doc. 9.1.1. and document CoP18 Doc. 41 on electronic systems and information technologies.

Mandate

3. Decision 17.69 reads as follows:

17.69 Directed to the Secretariat

The Secretariat shall report on the implementation of Article XIII and Resolution Conf. 14.3 on CITES compliance procedures to the Standing Committee and the 18th meeting of the Conference of the Parties.

4. Compliance matters handled under Article XIII occur with regard to a number of obligations under the Convention, particularly the designation of authorities (Article IX), permitting procedures and trade conditions (Articles III, IV, V, VI, VII and XV), domestic measures taken to enforce the Convention (Article VIII, paragraph 1), and maintaining and submitting records of trade (Article VIII, paragraphs 7-8). In addition, paragraph 30 of the Annex to Resolution Conf. 14.3 on *CITES compliance procedures* also specifies other Resolutions under which the Standing Committee may recommend the suspension of commercial or all trade in specimens of one or more CITES-listed species and other compliance measures.
5. With the aim of bringing together all the relevant components of the CITES compliance system, this document also addresses matters related to the use of the data gathered in the CITES trade database for compliance analytics and the compliance issues associated with the 'real-time' verification of permits by the Secretariat.

Background

6. Compliance is a primary activity of the Parties and a core business of the Convention. The CITES compliance system and its different mechanisms were explained in document CoP17 Doc. 23 on *CITES Compliance matters*.
7. 'Compliance' is one of the three interdependent concepts often used interchangeably by Parties, partners and stakeholders together with 'implementation' and 'enforcement'. Working definitions for the three concepts were suggested in document CoP14 Doc. 24 as follows:

- a) 'Implementation' is a rather generic term covering all of the measures taken by the Parties to put the Convention, Resolutions and Decisions into effect. This is the stage during which the Convention is translated into action.
 - b) 'Compliance' means to act in accordance with and in fulfilment of the Convention requirements. From an international law perspective, compliance can only be achieved by the contracting Parties. Without compliance, Convention requirements will not achieve their desired results. There cannot be compliance without implementation but there may be implementation without compliance. Therefore, this is the stage during which actions are checked to see whether they actually conform to the Convention.
 - c) 'Enforcement' (or, more appropriately, law enforcement) means 'force' or compel adherence and/or to punish non-adherence to the rule of law. This is a term that originated in the Anglo-Saxon legal culture and which is not easily translated into other languages. To illustrate this challenge Parties are referred to the three different versions of Article VIII paragraph 1 in English, French and Spanish. Law enforcement generally involves a chain of activities including the surveillance, detection, investigation, apprehension, prosecution and conviction of lawbreakers and the seizure and confiscation of their specimens.
8. Neither implementation nor compliance nor enforcement is sufficient on their own and none of these concepts should be addressed in a wholly separate manner.
 9. Resolution Conf. 14.3 contains, in its Annex, a *Guide to CITES compliance procedures* to assist CITES bodies in dealing with compliance matters. The purpose of the Guide is to "inform Parties and others of the CITES procedures on promoting, facilitating and achieving compliance with the obligations under the Convention, and, in particular, assisting Parties in meeting their obligations regarding such compliance." The Guide "describes existing procedures in order to facilitate consistent and effective handling of compliance matters." The approach taken towards compliance matters is "supportive and non-adversarial" with the aim of ensuring long-term compliance.
 10. The Guide identifies four steps for handling specific compliance matters in a diligent manner:
 - a) identification of potential compliance matters;
 - b) consideration of compliance matters;
 - c) measures to achieve compliance; and
 - d) monitoring and implementation of such measures and reporting.

Compliance matters pursuant to Article XIII considered by the Standing Committee

11. This section should be read in conjunction with the report of the Chair of the Standing Committee in document CoP18 Doc. 9.1.1. In accordance with Article XIII, paragraph 1 and pursuant to instructions received from the Standing Committee, the Secretariat corresponded with and visited the CITES Authorities of the Democratic Republic of the Congo, Lao People's Democratic Republic and Nigeria. The Secretariat is also corresponding with and is going to visit Guinea in the first trimester of 2019.
12. During the present intersessional period the Secretariat also visited the Authorities of Japan regarding the introduction from the sea of specimens from the North Pacific population of the sei whale (*Balaenoptera borealis*).
13. At its 69th and 70th meetings, the Standing Committee considered these compliance matters and recommended appropriate actions and compliance measures. A brief summary of the salient elements in each case is provided below together with the references to the reports prepared by the Secretariat and the Parties concerned.

Application of Article XIII in the Democratic Republic of the Congo

14. At its 69th meeting (SC69, Geneva, November 2017), the Standing Committee considered the effective implementation of the Convention in the Democratic Republic of the Congo (DRC) in accordance with Article XIII of the Convention, based on document SC69 Doc. 29.2.2 prepared by the Secretariat, and further information provided by DRC.

15. The Standing Committee adopted the recommendations set out in the summary record of the meeting (see [SC69 SR](#)) regarding quota management and issuance of export permits; management of trade of African grey parrots (*Psittacus erithacus*); illegal trade; trade in Afrormosia (*Pericopsis elata*); and technical and financial assistance.
16. The Secretariat has proactively monitored the implementation of these recommendations since SC69 (see document [SC70 Doc. 27.3.2.2](#)). The report by DRC to the 70th meeting of the Standing Committee (document SC70 Doc. 27.3.2.1) addressed the implementation of the Standing Committee's recommendations in some detail.
17. At SC70, the Standing Committee commended the DRC on progress made, but several speakers noted with concern the decision by the DRC to export stockpiles of pangolin (*Manis* spp.) scales collected while pangolins were listed in Appendix II. Committee Members and Parties expressed diverging views on whether these stockpiles could be traded for commercial purposes in compliance with the Convention and whether such matters were best decided by the Conference of the Parties at its 18th meeting (CoP18). One Party noted concern for the high conversion rate used in the DRC's latest non-detriment finding (NDF) for *Pericopsis elata*.
18. The Standing Committee agreed at SC70, among other things, to maintain the recommendation to suspend trade in specimens of the species *Psittacus erithacus* from DRC pending implementation of the recommendations made at SC69 and to suspend trade in stockpiled specimens of *Manis* spp. from DRC, until further guidance is provided by the Conference of the Parties at its 18th meeting. In this context, reference is made to document CoP18 Doc. 49.1 on the implication of the transfer of a species to Appendix I. Regarding trade in *Pericopsis elata*, the Plants Committee was requested to assess the third revision of the non-detriment finding for this species submitted by DRC and to make appropriate recommendations in the context of the Review of Significant Trade for this species/country combination, including on exports of timber exported outside the annual export quota under claims of second transformation.

Application of Article XIII in the Lao People's Democratic Republic

19. Pursuant to Article XIII of the Convention and Resolution Conf. 14.3 on *CITES compliance procedures*, SC69 updated the specific recommendations addressed to the Lao People's Democratic Republic (Lao PDR) with regard to the following compliance matters that had been identified by the Secretariat, but remained unresolved by Lao PDR:
 1. *Regarding management of exports of Dalbergia cochinchinensis*
 2. *Regarding national legislation*
 3. *Regarding CITES Authorities*
 4. *Regarding compliance and law enforcement*
 5. *Regarding monitoring of wildlife farms and related trade*
 6. *Public awareness and outreach campaigns*
20. At its 69th meeting, the Standing Committee also recommended that Lao PDR submit an adequate implementation plan with timelines and indicators for complete implementation of recommendations 2-6 by 31 December 2017 and provide a report to the Secretariat on implementation of recommendations 2-6 by 30 June 2018. Finally, the Standing Committee requested that the Secretariat publish a Notification to the Parties recommending a suspension of trade with Lao PDR, if it determined that the adequate implementation plan with timelines and indicators had not been provided by 31 December 2017 or if implementation of recommendations 2-6 had not been substantially achieved by 30 June 2018.
21. At its 70th meeting, the Standing Committee commended Lao PDR on the progress it had made and expressed optimism that further progress could be achieved. Some speakers were concerned about the lack of progress regarding legal acquisition, the delay in the adoption and entry into force of the new penal code, and scientifically based non-detriment findings, and noted that capacity in Lao PDR remained limited despite significant progress. The Standing Committee agreed, among other things, to suspend commercial trade in specimens of the genus *Dalbergia* spp., including finished products such as carvings and furniture from Lao PDR, until Lao PDR makes scientifically based non-detriment findings for trade in the relevant species, including *D. cochinchinensis* and *D. oliveri*, to the satisfaction of the Secretariat.
22. Regarding national legislation for the implementation of CITES, the Standing Committee agreed that Lao PDR must, as a matter of priority, adopt adequate legislative measures to implement the Convention that meet the minimum requirements set out in Resolution Conf. 8.4 (Rev. CoP15) on *National laws for*

implementation of the Convention and ensure that the amended penal code enters into force and is disseminated widely among all relevant law enforcement and criminal justice stakeholders. Regarding CITES Authorities, SC70 recommended that Lao PDR every three months, submit to the Secretariat copies of export permits and other CITES permits and certificates issued by the Management Authority. Regarding monitoring of wildlife farms and related trade, it was agreed that Lao PDR must finalize the full audit of the tigers kept in captivity, combined with a marking scheme and genetic analysis of the animals to establish their origin in collaboration with relevant international organizations to comply with paragraph 1 g) of Resolution Conf. 12.5 (Rev. CoP17) on *Conservation of and trade in tigers and other Appendix-I Asian big cat species* and Decision 14.69.

Application of Article XIII in Nigeria

23. At SC69, the Standing Committee discussed trade in specimens of *Pterocarpus erinaceus* from Nigeria to China pursuant to Article XIII of the Convention based on document [SC69 Doc. 29.1 \(Rev. 2\)](#) and further information provided by China and Nigeria.
24. As requested by the SC, the Secretariat conducted a technical mission to Nigeria at the invitation of the Federal Government, from 29 May to 2 June 2018. The Secretariat presented its findings and recommendations in document [SC70 Doc. 27.3.5](#), noting its concern that exports of *Pterocarpus erinaceus* after its mission in May/June 2018 had significantly increased despite the absence of non-detriment findings.
25. The Secretariat concluded that a more effective 'chain-of-custody' scheme to track timber should be established to ensure its legal origin and that the legality of the trade should be closely connected to the making of the non-detriment findings (NDFs). Lax provincial regulations, loopholes in existing laws and the lack of sustainable forestry policies at the State level could be easily exploited by national and foreign actors to export timber that is obtained in accordance with national laws, but not in accordance with the Convention. In compliance jargon, this phenomenon is known as '**legal optimization**' or in other words '**lawful but awful**' trade conducted under the cover of genuine CITES permits.
26. The Standing Committee agreed on the recommendations in paragraph 52 subparagraphs b), d), e), f), g), h), i), j), k), l), n), o) and q) in document SC70 Doc. 27.3.5 and the recommendations a), c), m) and p) in document SC70 Com. 6. This included a recommendation to suspend commercial trade in specimens of the species *Pterocarpus erinaceus* from Nigeria until the Party makes scientifically based non-detriment findings for trade in the species in the country to the satisfaction of the Secretariat and the Chair of the Plants Committee. The Standing Committee also encouraged importing Parties to consider inviting the Secretariat to conduct technical missions in order to strengthen cooperation between range States and importing countries and identify further recommendations to ensure that timber trade is conducted in accordance with the Convention.

Application of Article XIII in the Guinea

27. At SC69, the Standing Committee noted that Guinea had made some progress in implementing recommendations made by the Standing Committee in 2011, however the Committee decided that the recommendation to all Parties to suspend commercial trade in CITES-listed species remained in place until a new technical mission of the Secretariat has verified the progress made. At SC70, the Secretariat noted its intention to undertake a mission to Guinea in early 2019. The Standing Committee agreed at SC70 that the recommendation to suspend commercial trade in CITES-listed species with Guinea be maintained and requested the Secretariat to present the results of its technical mission in the country at its 71st meeting.

*Introduction from the sea of sei whale (*Balaenoptera borealis*) by Japan*

28. At its 69th meeting, the Standing Committee reviewed under Article XIII the matter concerning the introduction from the sea (IFS) of specimens from the North Pacific population of sei whale (*Balaenoptera borealis*) by Japan.
29. Following the invitation received from the Japanese authorities, the Secretariat conducted a technical mission to Japan from 19 to 22 March 2018. Field visits were made to the Institute of Cetacean Research, Sendai-Shiogama port, Shiogama fish market in Miyagi Prefecture, and Tsukiji market in Tokyo. The Secretariat met and interviewed representatives of the main actors involved in the harvest and subsequent use of the sei whales and their parts.

30. The Secretariat presented the results and recommendations of the technical mission in document SC70 Doc. 27.3.4, highlighting general compliance principles as in Resolution Conf. 14.3 on *CITES compliance procedures*, notably its supportive and non-adversarial nature aiming to ensure long-term compliance and identifying four compliance issues, some of which were a matter of interpretation.
31. At SC70, Japan stated that while it agreed with several of the points raised within the document, it had concerns with others. Regarding a) the description of the specimens introduced from the sea by Japan; b) the IFS certificates issued by the Management Authority of Japan; and c) the use of source codes in the annual reports submitted by Japan before 2016, Japan stated it was prepared to undertake immediate remedial actions to satisfy the points raised by the report and report back to the Secretariat by February 2019. Regarding compliance matters under Article III, Japan noted that the whole body of sei whales caught, including their meat and blubber, is used for research; and that the sale of whale meat is ancillary to research in agreement with Japan's obligations under the International Convention for the Regulation of Whaling. It was also noted that all proceeds from this sale were used for research. Japan therefore believed that sei whales introduced from the sea were not being used for primarily commercial purposes in conformity with the Convention. However, Japan noted that if the Standing Committee disagreed with this assertion, it was willing to undertake remedial action and report on progress by February 2019.
32. The Standing Committee agreed at SC70 that the provisions of the Convention are not being effectively implemented with regard to: a) the description of the specimens introduced from the sea by Japan; b) the certificates for introduction from the sea issued by the Management Authority of Japan; and c) the use of source codes in the annual reports submitted by Japan before 2016, and noted that Japan had committed to adopting technical remedial actions. The Standing Committee also agreed that the introduction from the sea of certain specimens (e.g. whale meat and blubber) of sei whales (*Balaenoptera borealis*) from the North Pacific population was not in compliance with Article III, paragraph 5(c), of the Convention. The Standing Committee recommended that Japan take immediate remedial action to comply with Article III, paragraph 5(c), of the Convention.
33. The Standing Committee noted and accepted Japan's commitment to delay the departure of its research whaling vessels to the western North Pacific until after the 71st meeting of the Standing Committee (SC71) and to not issue any IFS certificates for specimens of sei whales from the North Pacific population prior to SC71, noting that there were no pending IFS certificates for sei whales that could be used.
34. The Standing Committee requested Japan to report to the Secretariat on the implementation of the remedial actions mentioned above and other relevant measures by 1 February 2019, in order for the Secretariat to convey this report and its recommendations at the 71st meeting of the Standing Committee. At its 71st meeting, the Standing Committee shall review the Secretariat's report and, if not satisfied that the provisions of Article III, paragraph 5(c), are met, take further compliance measures, including consideration of a recommendation to suspend the issuance of introduction from the sea certificates for sei whales from the North Pacific population.

Compliance matters pursuant to Resolution Conf. 11.17 (Rev. CoP17) on National reports considered by the Standing Committee

35. At its 69th meeting, the Standing Committee determined that Brunei Darussalam, Djibouti, Dominica, Equatorial Guinea and Saint Vincent and the Grenadines had failed to provide annual reports for three consecutive years, without having provided adequate justification, and agreed that if they did not provide their missing reports within 60 days of the SC69 meeting, the Secretariat would issue a Notification recommending that Parties not authorize any trade in specimens of CITES-listed species with those Parties until the missing reports were provided.¹ Brunei Darussalam and Equatorial Guinea submitted their reports within the 60 days.
36. The Secretariat issued Notification to the Parties Nos. 2018/015, 2018/016 and 2018/017 on 30 January 2018 informing Parties that, in accordance with Resolution Conf. 11.17 (Rev. CoP17), the Standing Committee recommended that they not authorize trade in specimens of CITES-listed species with Djibouti, Dominica and Saint Vincent and the Grenadines until further notice. On 8 February 2018, following receipt of the missing reports from Saint Vincent and the Grenadines, the Secretariat issued Notification to the Parties No. 2018/019 withdrawing the recommended trade suspension concerning Saint Vincent and the Grenadines with immediate effect. On 17 May 2018, following receipt of the missing reports from Dominica,

¹ See agenda item 28.1 of the SC69 Summary Record

the Secretariat issued Notification to the Parties No. 2018/050 withdrawing the recommended trade suspension concerning Dominica, with immediate effect.

37. Afghanistan (see Notification to the Parties [No. 2013/018](#) of 17 May 2013), Djibouti (see Notification to the Parties [No. 2018/015](#) of 30 January 2018) and Grenada (see Notification to the Parties [No. 2016/022](#) of 16 March 2016) remain subject to a recommendation to suspend trade for the non-submission of annual reports. At SC70, the Standing Committee determined that the Secretariat should issue a Notification to the Parties recommending a suspension of trade in specimens of CITES-listed species with Parties that had failed to provide their missing annual reports to the Secretariat within 60 days after the deadline of 31 October 2018. Iceland, Saint Kitts and Nevis and Solomon Islands were in this category and the Secretariat issued Notifications to the Parties Nos. 2019/001, 2019/002 and 2019/003 informing Parties that, in accordance with Resolution Conf. 11.17 (Rev. CoP17), the Standing Committee recommended that they not authorize trade in specimens of CITES-listed species with Iceland, Saint Kitts and Nevis and Solomon Islands until further notice. On 15 January 2019, following receipt of the missing report from Solomon Islands, the Secretariat issued Notification to the Parties No. 2019/006 withdrawing the recommended trade suspension concerning the Solomon Islands with immediate effect. On 23 January 2019, following receipt of the missing reports from Iceland and Saint Kitts and Nevis, the Secretariat issued Notification to the Parties No. 2019/007 and 2019/008 withdrawing the recommended trade suspension concerning Iceland and Saint Kitts and Nevis, with immediate effect.

Compliance matters pursuant to Resolution Conf. 8.4 (Rev. CoP15) on *National laws for implementation of the Convention* considered by the Standing Committee

38. At its 69th and 70th meetings, the Standing Committee considered the Secretariat's reports on Parties' progress in adopting appropriate measures for the effective implementation of the Convention, and on legislative and technical assistance to Parties with legislation in Category 2 or 3, provided by the Secretariat and partners (see document [SC69 Doc. 27 \(Rev. 1\)](#) and documents [SC70 Doc. 25 \(Rev. 1\)](#) and [SC70 Inf. 12 \(Rev. 1\)](#)) as well as information provided by Parties at the meetings.
39. Details of the compliance measures agreed by the Standing Committee pursuant to Resolution Conf. 8.4 (Rev. CoP15) and Decisions 17.58 to 17.64 can be found in document CoP18 Doc. 26.

Compliance matters pursuant to Resolution Conf. 12.8 (Rev. CoP17) on *Review of Significant trade in specimens of Appendix-II species* considered by the Standing Committee

40. During this intersessional period, the Secretariat carried out a comprehensive review of all ongoing cases in Review of Significant Trade process (RST). This involved performing a cross-check between the list of recommendations to suspend trade on the CITES website, the most recent RST overviews presented at the 30th meeting of the Animals Committee (see document [AC30 Doc. 12.1](#), AC30, Geneva, July 2018) and the 24th meeting of the Plants Committee (see document [PC24 Doc. 13.1](#), PC24, Geneva, July 2018), and Notification [No. 2018/006](#) with an overview of current RST recommendations of the Standing Committee. The nomenclature changes that were adopted at the 17th meeting of the Conference of the Parties (CoP17, Johannesburg, 2016) were also considered.
41. According to Notification to the Parties No. [2018/006](#), a total of 66 species/country combinations are currently subject to a recommendation to suspend trade under RST. In all instances, the recommendations for a trade suspension have been in place for longer than two years.
42. Details of the recommendations submitted by the Animals and Plants Committees to the consideration of the Standing Committee pursuant to Resolution Conf. 12.8 (Rev. CoP17) can be found in documents [SC70 Doc. 29.1](#) and [SC70 Doc. 29.2](#).

Compliance matters pursuant to Resolution Conf. 10.10 (Rev. CoP17) on *Trade in elephant specimens* considered by the Standing Committee

43. The Secretariat submitted reports on progress with national ivory action plans (NIAP) implementation to SC69 and SC70, as presented in documents SC69 Doc. 29.3 and SC70 Doc. 27.4, respectively, including the Addendums and Annexes to them. The reports on progress with NIAP implementation submitted by

Parties, as well as new, revised and updated NIAPs² were also made available on the NIAP webpage, as required by Decisions 17.78 and 17.79.

44. Since CoP17, Malawi and Togo as Category A Parties, and Qatar as Category C Party, have been requested by the Standing Committee to develop and implement a NIAP. Malaysia and Viet Nam, two Category A Parties that previously 'substantially achieved' their NIAPs, were requested by the Committee to revise and update their NIAPs, and to continue implementation. Egypt as Category C Party was requested by the Standing Committee to revise and update its NIAP, and to continue implementation. NIAPs revised and updated from their own initiative by two Category C Parties, Angola and the Democratic Republic of the Congo, were accepted as adequate following SC69. Cambodia, Cameroon, Congo, Ethiopia, Gabon, and Nigeria as Category B Parties, and the Lao People's Democratic Republic (PDR) as Category C Party, have not yet 'achieved' their NIAPs, and together with the new Parties that were included in the process, and those that revised and updated their NIAPs, were to continue implementation.
45. The Standing Committee at SC70 agreed, *inter alia*, that China [excluding Hong Kong Special Administrative Region (SAR) of China], Kenya, Uganda and the United Republic of Tanzania as Category A Parties, Thailand as Category B Party, and the Philippines as Category C Party, exit the NIAP process in accordance with Step 5 paragraph d) of the *Guidelines to the NIAP process*. Although Hong Kong SAR and Mozambique both 'achieved' their NIAPs in line with Step 4, paragraph e), of the Guidelines, the Committee agreed to defer the decision on whether these Parties should exit the NIAP process to its 73rd meeting (SC73, Geneva, 2020). The Committee encouraged further reporting by Hong Kong SAR, and requested further reporting from Mozambique, on a number of matters, as presented in the recommendations agreed at SC70.
46. Details of the compliance measures agreed by the Standing Committee pursuant to Resolution Conf. 10.10 (Rev. CoP17) can be found in documents SC69 SR, SC70 Sum.2 (Rev. 1), and SC70 Sum.12 (Rev.1). The Secretariat reports in more detail on these matters in document CoP18 Doc. 69.1 on *Implementation of Resolution Conf. 10.10 (Rev. CoP17) on Trade in elephant specimens*.

Compliance matters pursuant to Resolution Conf. 17.7 on Review of trade in animal specimens reported as produced in captivity considered by the Standing Committee

47. At its 17th meeting (CoP17, Johannesburg, 2016), the Conference of the Parties adopted a new compliance procedure through Resolution Conf. 17.7 on *Review of trade in animal specimens reported as produced in captivity*. It concerns trade in specimens using the source codes C, D, F or R as defined in paragraph 3 i) of Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*.
48. Under Resolution Conf. 17.7, the Standing Committee, under paragraph 2 j), reviewed the Animals Committee's recommendations and agreed on recommendations for Parties whose trade had not been in compliance with Article III and Article IV of the Convention, as well as Article VII, paragraphs 4 and 5 as detailed in paragraph 11 of document [SC70 Doc. 31.3](#).
49. At SC70, the Standing Committee agreed that the former Yugoslav Republic of Macedonia³ shall establish immediately, and until the Standing Committee recommends otherwise, a zero export quota for *Testudo hermanni*, and Sudan shall establish a zero export quota for *Vulpes zerda* and *Centrochelys sulcata* – the quota in all cases should apply to specimens from all sources. Both countries should provide responses to the questions posed by the Animals Committee at its 29th meeting to the Secretariat by 1 February 2019. The Secretariat will share the response(s) with the Animals Committee, through its Chair, and report to the 71st meeting of the Standing Committee.

Data used to monitor compliance

50. The Secretariat gathers data to monitor compliance from multiple channels. Trade data is mainly extracted from the verification of CITES permits by the Secretariat and the trade database recording annual reports submitted by Parties. Registers of captive breeding and artificially propagated operations, quotas and reservations entered by the Parties also provide relevant information. Qualitative data is obtained from technical missions, meetings, interviews, etc. In order to be useful for compliance analytics and monitoring, data needs to be measurable, verifiable and contextual. Since there is so much data when it comes to compliance, this section discusses how the Secretariat can improve the management of compliance data through integration, automation and process improvement. It also explains how the Secretariat verifies

² <https://cites.org/eng/niaps>

³ Now known as North Macedonia.

permits to assist Parties and identify areas of concern and finally how all this is closely related to the CITES permit policy.

51. More specifically, this section will briefly present the prototype of a tool developed by the United Nations Environment Programme – World Conservation Monitoring Centre (UNEP-WCMC) to monitor compliance using the trade database, some salient aspects of monitoring compliance through the verification of CITES permits in quasi real-time and the relevant aspects of the CITES permit policy that are related to compliance processes.

A tool developed by UNEP-WCMC to monitor compliance using the trade database.

52. While the CITES trade database⁴ includes all data from annual reports, the Secretariat does not have a system to cross-check this database with information relating to compliance measures or permit verification in real time. This prevents immediate and correlative actions to correct mistakes and identify or prevent unauthorized export volumes of species subject to quotas.
53. As mentioned in paragraph 38 of the compliance report to SC69 [document SC69 Doc. 29.1 (Rev.2)], the United States of America approved a grant to UNEP-WCMC to work on means to extract trade data submitted in annual reports for the use of the Secretariat for compliance purposes.
54. UNEP-WCMC has developed in close consultation with the Secretariat a tool to facilitate the Secretariat's role in monitoring compliance with the provisions of the Convention. The tool aims to create an automated mechanism for monitoring international trade in CITES-listed species by providing the Secretariat with a way to check the trade data submitted in annual reports for potential compliance issues. The tool is being developed to automatically detect the following cases:
 - trade subject to **CITES suspensions**;
 - trade in wild-sourced **Appendix I** taxa for **commercial** purposes (purpose T); and
 - total annual trade in taxa exceeding **mandatory quotas** (including CoP-approved quotas and zero quotas that were agreed as part of the listing proposal).
55. The tool will only be available for use by the CITES Secretariat. The full development of this tool and the resulting analytics are expected to provide an improved mechanism for the CITES Secretariat, and ultimately the permanent Committees, to be able to monitor trade that may be in contravention of important decisions agreed by CITES governing bodies.
56. As many of the trade transactions flagged are only potential issues as further explained below, this tool will only provide the starting point for a dialogue with Parties under established compliance processes such as the Review of Significant Trade.
57. In total, just over 2,000 potential issues were identified during the period (2012-2016) by the tool developed by UNEP-WCMC using exporter-reported data, i.e. an average of 400 issues per year. The number of cases according to importer-reported data were approximately double that during the same five-year period (4,087 issues for 2012-2016). To put this in context, this is less than 1% of the reported trade transactions that were potentially involved in a compliance issue (0.06% as reported by exporters; 0.19% as reported by importers) (see Table 1 below).

⁴ Accessible on the CITES website: <https://trade.cites.org/>

Table 1. Number of cases detected in potential breach of CITES suspensions, Appendix-I commercial trade restrictions or quota limits according to reporter-type, and as a percentage of the total number of shipments reported, 2012-2016. See also section 6.2 in Annex 7 of document SC70 Doc. 31.1.

Category	Exporter-reported	Importer-reported
Suspensions	1,564	3,811
Appendix I commercial trade (may be underestimated)	463	264
Mandatory quotas	4	12
Total	2,031	4,087
Total number of trade transactions reported by Parties, 2012-2016	3,665,944	2,197,852
Number of potential compliance issues as a % of total transactions	0.06%	0.19%

58. It is important to note that these are the preliminary results of potential issues, and that there are a number of reasons why these may be an overestimate of the total issues. In particular:

- a) Parties often report on “**permits issued**” and do not always report on “**actual trade**”. This means that there may be cases where the permit was issued, but the trade may not actually have taken place.
- b) Suspensions can come into force and be removed partway through a year. **For suspensions that were only in force for part of a year, trade during that year may have been in compliance.** Of the combined exporter-reported and importer-reported total (5,375), approximately 4,844 of the shipments (~90%) were reported in the same year as a suspension started or ended, so trade may have occurred outside of the period of time covered by the suspension. As annual reports do not include the date of permit issuance, but only the year, it was not possible to cross-check these records to determine if the trade happened during or outside the suspension period. Based on the high proportion of issues that were during years when the suspension was only in place for part of the year, it is likely that this is an overestimate of the compliance issues associated to trade that occurred during suspensions being in place.

59. The Secretariat considers that this useful tool should be part of the set of tools developed under the Review of Significant Trade process and should be integrated in the reports prepared for the Secretariat under this process for the consideration of the relevant Committees.

Compliance monitoring through permit verification and CITES permit policy

60. As recalled by Notification No. 1999/27, the Secretariat is often instructed by the Conference of the Parties or the Standing Committee and solicited by Parties to verify the authenticity of permits and to monitor the use of quotas based on permits sent by exporting countries, to answer requests from importing Parties and to monitor data contained in the CITES annual reports as reported in the CITES trade database. The verification of permits gives the opportunity to access fresh data and analyse information in quasi real time. This task appears to be a valuable approach for the early detection of implementation problems and assisting Parties in preventing potential compliance issues.

61. The CITES permit system is the backbone of the Convention and a very valuable source of information for compliance-related matters. Monitoring CITES authorized trade, including certain types of trade authorized in contravention of the provisions of the Convention; quotas; annual reports; reservations; captive breeding registrations; and the emerging work on e-permits are integral elements of the CITES permit system.

62. The CITES permit policy can be defined as the provisions of Article VI of the Convention and the recommendations in Resolution Conf. 12.3 (Rev. CoP17), which have been further complemented by the following Notifications to the Parties

- a) Notification to the Parties No. 1999/27 – Confirmation of permits – Decisions of the Standing Committee;

- b) Notification to the Parties No. 2001/003 – CITES permits and certificates – Involvement of the Secretariat;
 - c) Notification to the Parties No. 2015/001 – Sample permits and certificates and signature specimens; and
 - d) All valid notifications requesting Parties to confirm permits with the Secretariat.
63. The Management Authority of each Party manages international trade in specimens of the CITES-listed species. It is responsible for authorizing, verifying, certifying, administrating and regulating international trade conducted under CITES. The Management Authority issues permits and certificates to authorize trade only if a number of conditions are met – the most important of which is that exports of specimens of species listed in Appendix I and II must not be detrimental to the survival of the species. Just like passports and visas, these permits and certificates must be presented, at the request of the competent authorities, when leaving or entering a country.
64. The Scientific Authority provides all the relevant scientific advice that is mandatory for trade to occur under CITES. Its primary role is to advise the Management Authority whether exports are sustainable and not detrimental to the survival of a species (through what are called non-detriment findings, which are assessments of the sustainability of the trade). It further monitors trade and suggests export quotas; conducts research and population surveys; and coordinates the monitoring of species by local communities.
65. The Management Authorities liaise with relevant enforcement authorities as appropriate when any breach to CITES occurs, including false permits used for the illegal trafficking of specimens of CITES-listed species. This may include liaising with customs officials, wildlife enforcement officers, the police and the judiciary.
66. The Secretariat is responsible for assisting Parties in the implementation of Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*. This Resolution replaces and expands the original Appendix IV of the Convention and therefore has a special status compared to other resolutions.
67. The Secretariat assists Parties in verifying the validity of CITES documents in the following ways:
- a) It is the repository of the signatures and samples of all the CITES documents issued by Parties and non-Parties and Parties sometimes request a verification of a signature;
 - b) Some resolutions recommend the consultation (or even the approval) of the Secretariat for CITES documents prior to their acceptance;
 - c) Some Notifications to the Parties include recommendations on the consultation of the Secretariat for CITES documents prior to their acceptance;
 - d) It holds a great amount of information and knowledge on all countries and species and has partners and reliable sources worldwide that enable it to obtain the information quickly;
 - e) Parties have an obligation to answer the requests of the Secretariat (Article XIII); and
 - f) Within the limits of its available resources, the Secretariat can cross-check information in different languages from different countries in quasi real time.
68. In relation to the permit verification and confirmation, the main objectives of Secretariat's permit confirmation are to:
- a) assist Parties in implementing Articles III, IV, V, VI, VII and X of the Convention;
 - b) assist Parties with any problem related to permits associated with new listings after a COP;
 - c) contribute to ensuring that Parties issue valid documents and accept only valid documents;
 - d) identify problems (related to a particular country or in general) and propose solutions;
 - e) to detect potential compliance issues, including non-compliance with the Convention and Resolution Conf. 12.3 (Rev. CoP17), infractions and frauds; and

- f) implement Standing Committee recommendations.
69. Roughly around 300 requests per month are received by the Secretariat from Parties and from members of the public concerning permit and certificates (e.g. security stamps, permit forms, signatures, sources codes, species, quotas, reservations, trade suspensions and other Standing Committee recommendations, etc.)
70. Requests from Parties usually concern a query on the authenticity of a permit issued by another Party. Queries from members of the public and the media about CITES permits are common, especially after new CoP listings enter into force.
71. The Secretariat's assistance mainly covers the serious cases where the Parties have exhausted all their means to assess the validity bilaterally or the cases mandated by the Conference of the Parties or the Standing Committee.
72. The Secretariat confirms the validity of a permit following three steps:
- a) verification of its authenticity;
 - b) accuracy of the information indicated (e.g. name of species, quotas, source and purposes codes, etc.); to the extent possible; and
 - c) verification of its conformity with the Convention, relevant Resolutions and recommendations of the Standing Committee.
73. With respect to invalid CITES permits, the Secretariat has identified three main common reasons why a document may be invalid:
- a) the issuing Management Authority has not accurately taken into consideration the text of the Convention, the resolutions and relevant recommendations of the Standing Committee;
 - b) traders have provided false, incomplete or wrong information; or
 - c) traffickers have falsified a permit.
74. An authentic document is a CITES document issued by a competent Management Authority and signed by an authorized officer on the official permit form of the Party. 'Authentic' does not mean that the two main requirements, i.e. non-detriment finding (NDF) and legal acquisition finding (LAF) are fulfilled or that there is no corruption behind the issuance of the document. While the Secretariat aims to maximize its available human and financial resources, the Secretariat's capacity is primarily limited to serving as a repository for sample permits and authorized signatures and attesting to the authenticity of the documents based on the information received from the Management Authorities, and to alerting Parties where information provided suggests something is untoward.
75. The terms and codes used on permits and certificates to indicate the type of specimen being traded must conform to the Resolution Conf. 12.3 (Rev. CoP17) and those terms and units provided in the Secretariat's most recent *Guidelines for the preparation and submission of CITES annual reports*.
76. The Secretariat provides permit-related assistance to Parties on verification of documents, collecting samples and signatures, providing security stamps, printing permits, tagging systems, etc. For instance, about 70 Parties have ordered CITES security stamps over the past five years. Since the new stamp was adopted in 2001, the Secretariat has sold about 1,575,000 stamps with a cost recovery for the Secretariat of about CHF 300,000 over the past 16 years.
77. Regarding the printing of paper permits, about 10 Parties ask the Secretariat to print permits for them in Switzerland. For different reasons, including security, some Parties still prefer the Secretariat to do this, regardless of the associated transaction costs.

78. With respect to the register of signatures and permit samples, the Secretariat keeps an updated register of all signatures from each Party. All samples of CITES permits from each Party (and from some non-Parties) are uploaded onto the secure area of the CITES website forums for Management/Enforcement Authorities⁵.
79. In accordance with Article XIII of the Convention and Resolutions Conf. 11.3 (Rev. CoP17), Conf. 12.3 (Rev CoP17) and Conf. 14.3, the Secretariat, when informed about serious or persistent non-compliance, reports permit-related incidents to the Standing Committee.

Improvement of the management, compilation and analysis of CITES trade data and permit verification by the Secretariat

80. As explained above, the Secretariat collects compliance information and intelligence from permit samples, signatures, security stamps, tagging systems and permit-related queries, as well as reports from other intergovernmental organizations, communications from non-governmental organizations, members of the public and open sources (e.g. internet sites, media, etc.). Currently, permit-related data and information are stored in multiple places, and on electronic and paper files that does not facilitate cross-check of data and efficient analysis.
81. The Secretariat may receive in a single day over 30 emails containing more than 200 export permits to check for the authenticity of the document and the accuracy of the data contained in the permit regarding the specimens of a particular species from one single country. The lack of human and technical resources may delay the verification of permits and cause challenging issues when live specimens are involved in the transaction and may generate frustration among the authorities concerned and traders resulting in additional costs for the applicants.
82. Processing sensitive permit data on simple files created on Excel or Microsoft Access to systematise and analyse hundreds of daily permits is a demanding task that requires staff time and performant electronic tools. In the view of the Secretariat, the first step is to map the flow of all trade data within the entire CITES compliance system to identify and classify every type of data and to ensure it is stored, accessed and protected properly at all times. This may require a standardization of existing databases and the establishment of an integrated compliance electronic platform allowing the Secretariat to assist Parties and relevant stakeholders in a timely manner.
83. The Secretariat notes that it has no capacity to systematically review or investigate information contained in individual permits and certificates to confirm (or contradict) their validity. This includes the verification that non-detriment findings and legal acquisition findings required under Articles II and IV were properly made.
84. An integrated compliance electronic platform will allow the Secretariat to provide efficient advice and compliance assistance to Parties in accordance with Notifications No. 1999/27 and No. 2001/003. By reporting on effective trade rather than on export permits issued, the gap between trade reported by exporting and importing Parties will be reduced and the data will provide a more accurate picture of the trade as it occurred.

Recommendations

85. The Secretariat recommends that the Conference of the Parties adopt an amendment to Resolution Conf. 11.3 (Rev. CoP17) on *Compliance and enforcement* related to the periodic report on the implementation of Article XIII and Resolution Conf. 14.3 on *CITES compliance procedures* as contained in Annex 1 to the present document.
86. The Conference of the Parties is also invited to adopt the draft decisions contained in Annex 2 to the present document.

⁵ <https://cites.org/user/login?destination=forum>

Draft Amendment to Resolution Conf. 11.3 (Rev. CoP17) on *Compliance and enforcement*

Insert a new literal c) under paragraph 20 of Resolution Conf. 11.3 (Rev. CoP17) as follows:

20. INSTRUCTS the Secretariat to:

...

- c) report on the implementation of Article XIII and Resolution Conf. 14.3 on *CITES compliance procedures* to the Standing Committee and at each regular meeting of the Conference of the Parties; and

Draft Decisions of the 18th Conference of the Parties

18.AA

Directed to Parties

Parties are encouraged to provide to the Secretariat relevant information regarding their practice to issue and verify the validity of CITES permits and certificates, including the tools used to improve the security of CITES documents, the responses to tackle document fraud and the resources used to monitor compliance with the Convention.

18.BB

Directed to the Standing Committee

The Standing Committee shall, with the assistance of the Secretariat:

- a) develop a new CITES permit policy based on Article VI of the Convention and Resolution Conf. 12.3 (Rev. CoP17) on *Permits and certificates*;
- b) consider whether a Standing Committee working group on CITES permit policies should be established to develop further guidance regarding the issuance and verification of permits and certificates; and
- c) make appropriate recommendations regarding a new CITES permit policy for consideration by the Conference of the Parties at its 19th meeting.

18.CC

Directed to the Secretariat

The Secretariat shall:

- a) assist the Standing Committee in the development of a new CITES permit policy and in the preparation of its findings and recommendations with regard to the implementation of Decision 18.BB;
- b) Subject to the availability of external funding, establish an integrated compliance electronic platform and consolidate and update the following Notifications to the Parties:
 - i) Notification to the Parties 1999/27 – Confirmation of permits – Decisions of the Standing Committee;
 - ii) Notification to the Parties 2001/003 – CITES permits and certificates – Involvement of the Secretariat;
 - iii) Notification to the Parties 2015/001 – Sample permits and certificates and signature specimens; and
 - iv) All valid notifications requesting Parties to confirm permits with the Secretariat.
- c) subject to the availability of external funding and in collaboration with Parties, relevant institutions, cooperation agencies and potential donors, organize an international workshop on guiding principles, methodologies, practical tools needed by Management Authorities to issue and verify CITES permits and certificates.

**TENTATIVE BUDGET AND SOURCE OF FUNDING
FOR THE IMPLEMENTATION OF DRAFT RESOLUTIONS OR DECISIONS**

According to Resolution Conf. 4.6 (Rev. CoP16) on *Submission of draft resolutions, draft decisions and other documents for meetings of the Conference of the Parties*, the Conference of the Parties decided that any draft resolutions or decisions submitted for consideration at a meeting of the Conference of the Parties that have budgetary and workload implications for the Secretariat or permanent committees must contain or be accompanied by a budget for the work involved and an indication of the source of funding.

The implementation of a new policy for the confirmation of CITES permits has budgetary and significant workload implications for the Secretariat. The Secretariat proposes the following tentative budget.

Activity	Budget
Integrated compliance electronic platform	USD 80,000
International workshop on guiding principles, methodologies, practical tools needed by Management Authorities to issue and verify CITES permits and certificates.	USD 100,000
Total	USD 180,000