

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

Regulation of trade

TRACEABILITY

1. This document has been prepared by the Chair of the Standing Committee and Mexico and Switzerland as Chairs of the Standing Committee's intersessional working group on traceability in consultation with the Secretariat.¹

Background

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

Directed to the Standing Committee

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

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

¹ *The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat (or the United Nations Environment Programme) concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.*

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

Directed to the Parties

17.153 *Parties are invited to:*

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

Directed to the Secretariat

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

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

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

- iv) describe a generic CITES traceability standard for use as a common model; and
- v) report to the Standing Committee on the conclusions of the report.

Intersessional working group on traceability

3. The Standing Committee, at its 69th meeting (SC69, Geneva, November 2017) agreed to establish the intersessional working group on traceability with Mexico and Switzerland as co-Chairs to implement Decisions 17.152 to 17.155 and the work programme of the working group as outlined in document [SC69 Doc. 42](#), Annex 1.
4. The membership of the working group was agreed as follows: Mexico and Switzerland (co-Chairs), Australia, Brazil, Canada, China, Colombia, Japan, Malaysia, Russian Federation, South Africa, United Arab Emirates, United States of America and Viet Nam; and Americas Fur Resources Council, Association of Fish and Wildlife Agencies, Environmental Investigation Agency, GS1 Switzerland, Humane Society International, International Union for Conservation of Nature, International Wood Products Association, Lewis & Clark – International Environmental Law Project, MEA Strategies, TRAFFIC, United Nations Conference on Trade and Development, United Nations Economic Commission for Europe, United Nations Environment Programme, and World Wildlife Fund.

United Nations Conference on Trade and Development (UNCTAD) consultancy to support the working group on traceability

5. The UNCTAD Biotrade initiative provided funds for a consultancy to support deliverables of the working group on traceability. The consultancy analysed the information on planned and ongoing traceability projects, identified best practices and lessons learned, and drafted recommendations and guidelines for CITES traceability systems for consideration by the working group. The terms of reference of the consultancy were based on the mandate given in Decision 17.152 and approved by Mexico and Switzerland. The consultant worked closely with the Secretariat in drafting the following documents:
 - a) a working definition of traceability for CITES. The document provides a definition of important terms used in traceability and proposes a definition of traceability for use in the context of CITES.
 - b) a discussion paper on open, technical standards for traceability systems including a recommendation for Parties to consider the use of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) traceability standard when implementing CITES traceability systems to ensure compatibility with CITES specifications for electronic permits.
 - c) a discussion paper on managerial best practice when planning and implementing CITES traceability systems. The paper recommends Parties to follow whenever feasible the Framework to design Traceability Systems for Cross Border Trade² of the United Nations Economic Commission for Europe (UNECE) and proposes specific managerial best practice guidelines outlined when planning and implementing CITES traceability systems.
 - d) a summary of traceability systems as reported by the Parties following Notification to Parties [No. 2017/038](#), as well as through submission of relevant documents to the 28th meeting of the Animals Committee (AC28, Tel Aviv, August 2015), to the 66th meeting of the Standing Committee (SC66, Geneva, January 2016) and CoP17.
6. The documents were presented by the UNCTAD consultant at a meeting of the working group organized during SC69. After this meeting, the working group provided guidance for the revision of these documents. The revised documents were made available as information documents³ at the 70th meeting of the Standing Committee (SC70, Sochi, October 2018).

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

7. In the discussion on a definition of traceability, working group members expressed diverse expectations, requirements and constraints for CITES traceability. In addition, it was noted that the implementation of a

² Traceability for Sustainable Trade – A Framework to design Traceability Systems for Cross Border Trade ECE/TRADE/429, https://www.unece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_429E_TraceabilityForSustainableTrade.pdf

³ Information documents SC70 Inf. 31, SC70 Inf. 32, SC70 Inf. 33, SC70 Inf. 34

traceability system is strongly influenced by the characteristics of the specific supply chain in which the specimens are traded, the available technologies, the trading practice and market requirements, the legal environment and aspects of funding and cost recovery.

8. Participants also noted that traceability should not be regarded as an instrument to remedy shortcomings in the CITES permit process; it requires formalised business processes and availability of electronic information; and exchange of information along the supply chain may be restricted by legal and technical factors.
9. Considering the many and diverse factors that determine CITES traceability, the working group, at its meeting in the margins of SC70, proposed the following working definition for CITES traceability to the Standing Committee (SC70 Doc. 40 Addendum):

Traceability is the ability to access information on specimens and events in a CITES species supply chain.*

** This information should be carried, on a case by case basis, from as close to the point of harvest as practicable and needed, to the point at which the information facilitates the verification of legal acquisition and non-detrimental findings and helps prevent laundering of illegal products.*

10. The working group, at SC70, also noted the revised information documents (see paragraph 6). It requested the Secretariat to update these documents with the revisions and comments made by the working group, and make these documents available on the CITES webpage on traceability⁴.
11. The Standing Committee agreed to the recommendations presented in document SC70 Doc. 40 Addendum, which were to invite the Conference of Parties to approve the revised working definition for CITES traceability as proposed by the intersessional working group (Decision 17.152 a), to take note of the updated information documents referenced in paragraph 10 above (Decision 17.152 b-f), to consider it is not necessary at this time to develop a resolution on traceability (Decision 17.152 h) and to request further action from the Secretariat. The Standing Committee further requested the Secretariat, in consultation with the Chair of the Standing Committee and Mexico and Switzerland as co-chairs of the intersessional working group, to propose these recommendations in an appropriate format for the Conference of the Parties.

Recommendations

12. The Conference of the Parties is invited to:

- a) agree on the working definition of CITES traceability as follows:

Traceability is the ability to access information on specimens and events in a CITES species supply chain.*

** This information should be carried, on a case by case basis, from as close to the point of harvest as practicable and needed, to the point at which the information facilitates the verification of legal acquisition and non-detrimental findings and helps prevent laundering of illegal products.*

- b) note the information provided regarding the working definition of traceability, technical standards for CITES traceability, information on projects related to traceability, and managerial best practice guidelines for planning and implementing CITES traceability systems, as identified in paragraph 10 of the present document, and encourage Parties to consider their relevance in other CITES activities, such as work on trade in shark specimens and the development of non-detriment findings;
- c) note the conclusion of the Standing Committee that it is not necessary at this time to develop a resolution on traceability taking into account the current level of implementation of traceability in CITES;
- d) adopt the draft decisions contained in Annex 1 to the present document and;
- e) delete Decisions 17.152 to 17.155.

⁴ https://cites.org/eng/prog/Cross-cutting_issues/traceability

COMMENTS OF THE SECRETARIAT

- A. The Secretariat would like to thank UNCTAD for having provided the funding for the consultancy to develop the documents on CITES traceability listed in paragraph 5. The Secretariat believes that these documents and the working definition for CITES traceability provide valuable guidance to Parties.
- B. The Secretariat has revised the information documents on traceability with the revisions and comments made by the working group (see paragraph 10) and made the documents available on the CITES webpage on traceability. The Secretariat therefore considers draft decision 18.BB b) as completed and proposes that this element of the draft decision be deleted.
- C. The Secretariat concurs with draft decision 18.BB b), d) and f) to continue updating the CITES website on traceability and to support Parties that may request assistance in planning traceability projects, if additional funding is available. The Secretariat will inform the Standing Committee on relevant CITES related traceability developments when they arise.
- D. The Secretariat has not received any information on plans to develop new traceability projects. The Secretariat therefore does not see a need for an intersessional working group on traceability in the period between CoP18 and CoP19.
- E. The Secretariat suggest notes that CITES relevant traceability systems may be developed by organizations other than “international organizations” and suggests changing draft decision 18.BB e) to mandate work with such organizations if it is required.
- F. The Secretariat proposes the above changes to the draft decisions in Annex 1 to the present document. Text proposed to be deleted is crossed out, and proposed new text is underlined.

DRAFT DECISIONS ON TRACEABILITY

Proposed changes by the Secretariat are indicated as underlined and ~~strike through~~.

18.AA *Directed to Parties*

Parties are encouraged:

- a) to use, where feasible, the working definition of CITES traceability as follows:

Traceability is the ability to access information on specimens and events in a CITES species supply chain *.

** This information should be carried, on a case by case basis, from as close to the point of harvest as practicable and needed to the point at which the information facilitates the verification of legal acquisition and non-detrimental findings and helps prevent laundering of illegal products.*

- b) to use the information available on the CITES webpage on traceability ~~regarding such as~~ the working definition of traceability; technical standards for CITES traceability; managerial best practice guidelines for planning and implementing CITES traceability systems; and ~~on~~ projects related to traceability, which can provide guidance to Parties that develop or implement CITES traceability projects.

18.BB *Directed to the Secretariat*

The Secretariat shall:

- a) include the working definition on traceability mentioned in Decision 18.AA paragraph a) into the CITES glossary;
- ~~b) update the CITES webpage on traceability with information regarding the working definition of traceability, technical standards for CITES traceability, projects related to traceability, and managerial best practice guidelines for planning and implementing CITES traceability systems;~~
- be) continue to provide information on CITES related traceability projects and latest developments on the CITES webpage on traceability;
- cd) continue to provide support to Parties in the implementation of traceability systems involving CITES-listed specimens, subject to availability of external funding;
- de) continue to work with the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and other relevant ~~international organizations~~ standard setting bodies on the integration of CITES requirements for traceability systems into international traceability standards and recommendations for traceability; and
- ef) review reports submitted by Parties on their experiences in implementing traceability and report as necessary to the Standing Committee.

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 Secretariat proposes the following tentative budget and source of funding.

The support required from the Secretariat as outlined in draft decisions 18.BB a), b), c), e), f) could be accommodated within the daily work of existing Secretariat staff.

Support to Parties in the implementation of traceability systems [draft decision 18.BB d)] may incur travel costs. The costs per mission are estimated at USD 5,000 depending on duration, air-fares and subsistence costs. It is expected that funding is provided by the implementing stakeholder.