eCITES:
Modern border control procedures and their impact on CITES permit processing and control
In this presentation

- Current Customs control procedures

- Customs control procedures and their impact on CITES permits and procedures
  - Electronic equivalent of physical signatures and stamps on CITES (electronic) permits
  - CITES Risk Management for targeted inspections
Mandates of the WG on electronic systems

- Dec. 17.158 b). Ensure the Resolution [Conf. 12.3] allows for electronic border clearance processes that are consistent with and incorporate the requirements of Articles III, IV, V and VI into any e-permitting system, examining in particular the issues of presentation and validation.

- Work programme of the WG in SC69 Doc. 40:
  - How do today’s Customs clearance procedures and developments match with CITES processes?
  - What changes to Resolutions 11.17 (Rev. CoP17) and 12.3 (Rev. CoP17) would be needed to reflect these changes?
Customs procedures (as we like to think of them)
UNODC and WCO on border controls:

- 500 million ocean sea containers per year
- Less than 2% are inspected
- Decisions are made by an electronic Customs management system based on a risk analysis
- 98% are cleared electronically
- Clearance and release in under 2 sec
Border clearance processes (2017)

Figure 11: implementation stages of “formalities” measures globally

Source: The UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.
A reality in developing AND developed countries
Workshop in Gibraltar, May 2018: What is the impact of today's border procedures on CITES?

What is the situation in Customs?

- Customs clears large amounts of consignments in very short time
- Clearance of goods is done by an automated electronic system (which might decide to request support by a human)
- Customs controls based on risk management which leads to targeted inspections
- Paperless Customs workflow using either electronic documents (declaration, BoL, AWB, CoO) or electronic images (scan) of licenses, permits and certificates
- Customs works on hearsay data: The best (most reliable) information comes from the stakeholder that is at the source of the information (i.e. the exporter, shipper, ..)

Relevance for CITES permit processes

- Can we support a paperless Customs process, for example by allowing scanned copies of CITES permits?
- No CITES risk management, no targeted controls at the border: Do we want Customs to perform CITES Risk Management and targeted inspections? What do we need to put into place to make it happen?
- What do we have to do to get an electronic CITES control system at the border?
CITES Risk Management & targeted Inspections

Possible structured approach to CITES Risk Management (ISO 31000 & WCO Customs Risk Management Compendium)

- define/review Party specific CITES risks → analyze relevant illegal trade → define CITES selectivity criteria for targeted controls → fine tune selectivity criteria against illegal trade reports (Would we have detected this one?) → deploy Risk Management → control false negative and false positive → improve (start again)

Requires policy support, tools and capacity building

- Awareness of Parties on the importance and role of RM for CITES controls
- Recommendations from CoP
- Collaboration between MAs and Customs authorities on RM
- Development of guidelines, training materials and support to MAs
- Create by-in and establish collaboration: capacity building, workshops, exchange of experiences..

It can be done but not in a day!
Electronic signatures in CITES permits

Digital signature:

- Alice Writes Message
- Message is hashed
- Hash is encrypted with Alice’s Private Key
- Message and encrypted hash are sent over the Internet
- Hash is decrypted by Bob with Alice’s Public Key
- Hash is compared with message and Bob informed of any tampering

Problem: Who is Alice?

Electronic signature:

An electronic signature can be implemented by a process that is considered a functional equivalent of a physical signature

Example of electronic signature: eBanking

Requirements for electronic signatures in CITES permits described in SC70 Doc. 40 Annex 2
Guidance on electronic signatures in SC70 Doc. 40

Recommendations to Parties when implementing electronic signatures for electronic CITES permits

- Use UN/CEFACT Recommendation 14 as guidance
- All users to the CITES system must be authenticated
- The CITES system must keep an audit trail on all activities
- Retain archive of audit trail for not fewer than 5 years after expiry date of permit

Question from UK and Singapore:

An MA uses an electronic system (meeting above requirements) that prints a paper permit. Authentication can be proofed through secure paper/online access to the electronic permit system.

Does the process replace the need of a physical signature on the paper permit?
Mandate for Working Group at CoP18

18.XXB Directed to the Standing Committee

The Standing Committee shall establish a **Working Group on electronic permit processing and efficient control procedures** to work in collaboration with the CITES Secretariat to undertake the following tasks:

i) to work with .., to continue the development of joint projects that would **facilitate Parties’ access to electronic permitting services** and their alignment to international trade standards and norms, such as the further development and implementation of the UNCTAD aCITES system;

ii) to work with the World Customs Organization, the United Nations Office on Drugs and Crime, the Global Container Control Programme and other relevant national and international organizations and initiatives to **develop recommendations, guidelines and training materials to support the establishment of risk based trade control systems to combat illegal trade in wildlife and facilitate compliant trade**;

iv) develop **recommendations and best practice guidelines** for CITES permit issuance and control processes when using electronic CITES permit systems and information exchanges;
References

Container Control Programme Annual Report 2015:

Trade Facilitation and Paperless Trade Implementation Global Report 2017

Overview of important seizures in the European Union, January to December 2016; briefing prepared by TRAFFIC for the European Commission

Report of the Working Group on electronic systems and Information technology, CITES SC70 Doc. 40
https://cites.org/eng/com/sc/70/index.php
Thank you!

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