



Automation of CITES permit procedures and electronic information exchange for improved control of international trade in endangered species (eCITES)

Policy Brief prepared by the CITES Secretariat

Executive Summary

The automation of CITES processes in the authorities that manage and control trade in wildlife in a country is crucial to protect the endangered species and combat illegal trade in wildlife. Automation of CITES processes enforces regulations, increases transparency and reduces opportunities for corruption and the use of fraudulent documents.

Exchange of electronic CITES permits with customs and border control agencies enables automated risk management and coordinated border controls. Electronic information exchange with other countries puts an end to current practices using fraudulent paper permits to launder illegal trade in endangered species in the international supply chain.

CITES-listed species can be particularly vulnerable to illegal trade when CITES Management Authorities do not yet have automated processes and cannot apply modern, electronic approaches for risk identification and targeted inspections. This applies to many developing countries.

The CITES Working Group on Electronic Systems and Information Technologies and the CITES Secretariat supported by competent partners have developed eCITES, a set of standard tools and software solutions which make electronic CITES management now more accessible to all Parties, including those from developing countries, for better protection of their national wild flora and fauna.

eCITES will also facilitate administration of legal trade in wildlife and its integration into the measures of the WTO Trade Facilitation Agreement thus reducing transaction costs and time for compliant traders. This will create opportunities for sustainable development of legal trade in wildlife in developing countries and income opportunities for local communities.

With eCITES and for an investment of 15 million USD, CITES Management Authorities in 100 countries could benefit from automated CITES permit approval and control processes and apply state-of-the-art procedures and techniques to control trade in CITES-listed species and combat illegal trade.

The Secretariat wishes to raise awareness of donor agencies and Governments that eCITES solutions are now available and transformative change is possible. The Secretariat aims to gather support for those countries that have already notified the Secretariat of their willingness to implement eCITES and create further momentum for automated and improved CITES permit management around the globe.

About CITES

The *Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)* establishes a legally binding regulatory regime to ensure the survival of CITES-listed species in the wild, providing opportunities for sustainable trade and economic development, in particular in developing countries and for local communities. Currently, 183 States are Party to this Convention and bound to its rules (182 countries and the European Union).

CITES regulates trade in over 36,000 species of wild animals and plants, both aquatic and terrestrial, including emblematic species such as tigers, elephants, rhinos, manta rays and great apes. The core instrument for

regulating trade is a system of permits and certificates issued and controlled by a national CITES Management Authority, which has been officially appointed by the Government. The CITES permit or certificate documents the legality and sustainability of trade and is reported annually to the Secretariat. It is the core instrument to distinguish between legal and illegal trade in wildlife.

About illegal trade in wildlife

Illegal trade in wildlife (excluding illegal trade in marine species and timber) is estimated to be worth up to USD 20 billion per year and it now ranks among trafficking in drugs, arms and human being in term of profits. A number of CITES-listed species are high-value items targeted by transnational criminal groups. These groups are highly organized and operate through international networks. They take advantage of the legitimate opportunities and tools of modern international trade, transport and finance, hiding their illegal shipments in and between the consignments of legal shipments.

Effective application of CITES depends largely on control over the issuance, inspection and acceptance of CITES documentation, and border control agencies around the world are challenged to identify illegal shipments as the vast majority of today's procedures for issuance and control of CITES permits are still paper based. In particular, CITES Management Authorities in developing and least developed countries, often range States of the most vulnerable species, lack the essential forms of electronic information management and exchange¹ when managing and controlling the trade in CITES-listed species.

Since a permit can transform millions of dollars of suspected contraband into millions of dollars of legitimate merchandise, much of the illegal trade in wildlife proceeds through the front door, with paperwork provided through fraud, forgery and corruption.² The lack of automation in permit issuance and control provides opportunities for corruption and prevents fast and efficient verification and control of permits using modern methods of border control such as automated risk management and collaboration of border agencies for targeted inspections.

The vast majority of officials responsible for CITES implementation and enforcement are committed to their task and working diligently each day to ensure that international trade is legal, sustainable and traceable. However, criminal networks actively and constantly seek to exploit the automation gaps, and reports of corrupt activities that undermine the effective implementation of the Convention are of increasing concern.

In particular developing and least developed countries are exposed to a double risk. They are often range States of multiple high value CITES-listed species, which they need to protect, whilst at the same time, authorities in these countries often lack modern information management tools to effectively monitor and regulate trade in these wildlife assets.

About eCITES

To combat illegal trade in wildlife and to support Management Authorities to provide income opportunities through legal trade in wildlife the CITES Secretariat, in collaboration with the CITES Working Group on electronic Systems and Information Technology and the ASYCUDA programme of the United Nations Conference on Trade and Development (UNCTAD) has now launched the eCITES initiative, a global effort to rapidly streamline and automate CITES permit processes and controls.

eCITES supports Parties in their efforts to automate CITES permit processes, to exchange electronic information with customs and other border control agencies, to implement modern, automated risk

¹ Some developing countries such as China, Brazil, Thailand, the Republic of Korea, South Africa, and Kenya have already started to implement eCITES systems.

² World Wildlife Crime Report, United Nations Office on Drugs and Crime, 2016

management processes for improved control of trade in CITES-listed species and to prevent use of fake CITES permits in international trade.

eCITES simplifies export and import processes and significantly reduces time and resources spent in the Management Authority for checking and issuing of permits thus freeing resources in the agencies to focus on illegal trade. It reduces time for permit request and issuance, thus providing opportunities for trade and development to compliant traders and rural communities.

To make eCITES accessible to developing and least developed countries, a comprehensive set of implementation tools including the *eCITES Implementation Framework*, a standardized approach to plan and manage a project and the *UNCTAD eCITES system*, an off-the-shelf software solution has been developed and is now available to interested Parties.

A best practice framework for eCITES implementations

The *eCITES Implementation Framework* provides national project managers with a best practice approach to plan and manage the automation of their CITES processes. A standard implementation approach using a tested framework greatly reduces eCITES project's risks and costs and achieves improved results and synergies at the regional and global level. The Framework was developed by experienced project managers taking into account lessons learned from similar projects around the world.³

The *eCITES Implementation Framework* consist of four pillars:

- Automation of the CITES permit issuance process in the Management Authorities, including electronic application of CITES permits; transparent and automated controls during inspection, approval and issuance of all permits; electronic payment of fees and electronic repository of all valid permits
- Electronic information exchange of CITES permits with customs authorities, automated risk assessment and targeted inspections for export, import and transit and coordinated border controls
- Automated generation of reports and statistics to monitor legality and sustainability of trade, including CITES annual trade reports
- Electronic exchange of CITES permit information between Government authorities of export, import and transit countries to prevent use of forged documents and establish end-to-end control of trade

Each pillar in the Framework is a project in itself, with a defined outcome and benefits. This means that a country can implement eCITES pillars in a stepwise approach and according to its own readiness.

eCITES@ASYCUDA.org - an off-the-shelf software solution for electronic permitting

The ASYCUDA eCITES system is an off-the-shelf software solution for electronic Permit management and exchange. The system has been jointly developed by the Secretariat and the UNCTAD and implements the pillars of the eCITES Implementation Framework.

The system is built on the ASYCUDA technical platform, an electronic system used by over 90 customs organizations around the world to manage customs clearance and control. The ASYCUDA eCITES system can be operated as a component of a national ASYCUDA Customs system or stand-alone on a system provided and maintained by the Management Authority.

To provide access to electronic Permit solutions for many of the 193 Parties that have low permit volumes, the Secretariat and UNCTAD developed the *eCITES BaseSolution*, a cloud-based release of the ASYCUDA eCITES system which provides electronic permit processing functionality to Parties while the technical

infrastructure of the server is maintained by UNCTAD experts. The system is virtually maintenance free for the Management Authorities and does not require advanced technical expertise or IT systems.

This system will bring important the benefits to Management Authorities in controlling of trade in CITES listed species:

- Automation of the elementary CITES permit procedures: electronic permit requests and payment of fees, control of the internal permit approval process, issuance of permits, automated generation of annual trade reports
- Transparency and accountability in the permit process: who, what, when, where
- Instant access to all pending and issued permits
- Interaction between traders and government officials is formalized and recorded
- Faster and better controlled permit processes reduced opportunities for informal procedures

On request of the beneficiary country the eCITES BaseSolution can be extended. These national extensions may include:

- Electronic permit exchange with national Customs and border control agencies including Single Window integration
- electronic Customs Risk Management for CITES listed species and targeted controls
- Strengthened Legal Acquisition Finding: advanced quota control, traceability, control of supporting documents, electronic Risk Management when evaluating permit requests
- Cross border electronic exchange of CITES permits (EPIX)

The eCITES BaseSolution can be implemented through a project agreed between UNCTAD and the beneficiary country. The software is provided free of charge to the Party including access to the source code. Funding is required to cover the costs for national configuration, training, operation and support. The estimated budget for the implementation of an eCITES BaseSolution is 90" USD for a country implementation and 30" USD for annual hosting. Parties may at any time choose to repatriate the system and host and maintain the system on their own infrastructure.

For further information, contact the CITES Secretariat at info@CITES.org or eCITES@ASYCUDA.org