

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

Export Quota Working Group
Bangkok (Thailand), 10 October 2004

MANAGEMENT OF EXPORT QUOTAS

1. At its 50th meeting (Geneva, March 2004), the Standing Committee requested that a document synthesizing the questions and concerns raised in documents SC50 Inf. 1 and SC50 Inf. 2 be produced and distributed for comments. This synthesis document was prepared by Safari Club International (SCI), with the assistance of the United States of America, and was distributed by the Secretariat on 25 June 2004 to the members of the Export Quota Working Group.
2. The United States has compiled a document (Annex 1) that includes the comments received from Argentina, Australia, Germany, Hong Kong (China) and the Chairman of the Animals Committee on the synthesis paper. Each comment follows the section to which it refers, with an indication of who provided it. Some comments have been edited for clarity or to save space but every attempt has been made to avoid altering their meaning.
3. Parallel to this, Germany has also prepared a synthesis of the basic principles for quota management, the issues that have to be discussed, those on which the Working Group may require more information, and those where more than one solution has been proposed. This synthesis is provided in Annex 2.

CITES Export Quota Working Group

April 2004

Combined version of the issues, questions and concerns raised by Germany and the United States regarding the management of export quotas

Introduction

Wherever possible, the exact language (in English) of the original paper has been used. In some cases, two statements from different original papers have been identical in meaning. In those cases, the drafters selected the text that provided the greatest amount of information about the point, rather than repeat both statements.

This paper includes all points raised by the members of the Working Group in the papers referenced above. The origin of each point is indicated in brackets at the end of the point, e.g. “[SC50 Inf. 1, Annex 2, paragraph a]”.

The points have been grouped under five topics selected by the drafters of this paper. These topics are not meant to characterize or bias the interpretation of the points made by Germany and the United States, but to provide a convenient grouping for the consideration of the points. Similar points have been grouped, to the greatest extent possible, to simplify comparison of the original papers.

It might be necessary for the Export Quota Working Group to determine whether all points in this paper are within its mandate.

1. Quotas

1.1 Parties are encouraged to establish national export quotas for the management of CITES-listed species. [SC50 Inf. 1, Annex 2, paragraph beginning “Encourages”]

a) Comments from Argentina

Argentina does not agree with this general "encouragement" to establish quotas for ALL CITES-listed species. Export quotas are not the magical solution, they are just one of many management tools and only one of the many elements of a management plan. So Parties should use them when they think their use is relevant and helps management.

b) Comments from China

“encouraged” - if it is on a voluntary basis, what will be the “carrots”?

c) Comments from the Chairman of the Animals Committee

There is a difference if Parties establish harvesting and/or export quotas in the framework of their national management and in the interest of sustainable use and conservation of their natural resources on a voluntary basis, or if Parties are obliged to establish compulsory quotas for the management of their species (will have to inform the Secretariat about them and – sooner or later – with the threat that if they do not, the trade in this species will be banned...). This paragraph can mean (or imply) both. The wording therefore must be made more clear.

In addition: Quotas for what ? Live specimens and/or parts and derivatives ? Skins, garments, watchstraps or tissue samples? Everything?

If the system implies (see e.g. 1.18 to 1.20) quotas for specimens of different sources and of different types – that may even be carried over from one year to the next – we may be faced with administrative and enforcement problems: Who knows all these quotas (which may even change during a certain time), who keeps track whether a quota is completed or not and/or if specimens are covered or not by that particular quota? How will the individual controlling officer be informed?

1.2 A voluntary nationally-established quota should be submitted to the Secretariat only after it has been reviewed by the Scientific Authority of the Party establishing the quota, and only after that Scientific Authority has made a finding of no detriment. [SC50 Inf. 1, Annex 2, paragraph a]

a) Comments from Argentina

If we are talking about Appendix-II species, there is no need to remind Parties of their obligation to make non-detriment findings for their export, so this paragraph is unnecessary and should be deleted. If we are talking about Appendix-I species, quotas are approved by the Conference of the Parties, which usually goes very carefully into the basis for their establishment.

b) Comments from China

A non-detriment finding should be concluded anyway by the Scientific Authority for an export to occur. However, it is logical that the quota so established should have the consent of the Scientific Authority.

c) Comments from the Chairman of the Animals Committee

A non-detriment finding can – and probably often does – include a quota. But it does not need to. (A non-detriment finding may limit harvesting/exports also to certain sizes, certain age-classes, certain periods, certain areas, certain products etc.). In my opinion the process goes the other way round: It is the Scientific Authority that makes the non-detriment finding and advises the Management Authority about measures to be taken to limit exports and/or to manage populations.

If the export product is processed, then this is a problem. This is the difficulty between harvesting quotas (which are a perfect managing tool safeguarding sustainable use and conservation) and export quotas. Leopard hunting quotas may be all right if set for one year. But the trophies may be exported up to two years later.

1.3 A voluntary nationally established quota should be for exports in a specific calendar year. [SC50 Inf. 1, Annex 2, paragraph e]

a) Comments from Argentina

We have explained many times that for some species, for strictly biological and administrative reasons, this is neither possible nor convenient.

1.4 A voluntary nationally established quota should be submitted to the Secretariat by December 31 of the year prior to the calendar year in which the quota is intended to apply. [SC50 Inf. 1, Annex 2, paragraph b]

a) Comments from China

“December 31”? Would the date this late cause administrative difficulties? If there are different deadlines, will the information become too confused?

1.4a Should there be a deadline for submission of voluntarily fixed quotas, such as December 31 as proposed in item 1.4, above, or should the quotas be submitted whenever possible? [SC50 Inf. 1, Annex 1, paragraph 4 (a) and (b)]

1.4b Should the submission of voluntarily fixed quotas take into account biological reasons which complicate the establishment of quotas by calendar year? [SC50 Inf. 1, Annex 1, paragraph 4(c)]

1.5 A quota should use the standard nomenclature adopted by the Conference of the Parties. [SC50 Inf. 1, Annex 2, paragraph b]

1.6 A quota should represent the maximum number of specimens that can be exported in the calendar year to which the quota applies. [SC50 Inf. 1, Annex 2, paragraph e]

1.7 Quotas should be understood to apply to specimens of wild origin, unless the quota states otherwise. [SC50 Inf. 1, Annex 2, paragraph e]

a) Comments from China

Can we have two separate quotas, one for captive and one for wild origin specimens?

1.8 Terms used in a quota to define or clarify the quota should be terms that occur in the text of the Convention or in a resolution adopted by the Conference of the Parties. [SC50 Inf. 1, Annex 2, paragraph e]

1.9 A term should not be used to define or clarify a quota unless the conditions set out by the Convention or the Parties in relation to that term (example: “ranchered specimens”) have been met. [SC50 Inf. 1, Annex 2, paragraph e]

1.10 The Secretariat should review all submitted quotas. [SC50 Inf. 1, Annex 2, paragraph c]

a) Comments from Argentina

Why should the Secretariat do this? On what basis? If we are talking about Appendix-II species, there is no mechanism under the Convention for this procedure. The only procedure is significant trade, and even this is not up to the Secretariat. Strongly disagree.

b) Comments from China

Are we sure that the Secretariat can absorb the workload? How much time are we to give the Secretariat to do the job, and will this affect the deadline for submission by a Party?

c) Comments from the Chairman of the Animals Committee

Why and how can the Secretariat review quotas that are submitted by Management Authorities as advised by their national, competent Scientific Authorities? Are there criteria for these reviews? What is the Secretariat to do?

1.11 If the Secretariat finds serious problems with the submitted quota, it should withhold publication of the quota until it is satisfied. [SC50 Inf. 1, Annex 2, paragraph c]

a) Comments from Argentina

Of course, the same applies to this paragraph. Non-detriment findings are definitely a sovereign right of Parties, as established in Article IV of the Convention. There are two mechanisms to take care of "serious problems": the Review of Significant Trade and for the Secretariat, the procedure established in Article XIII.

b) Comments from China

Again, do we expect the Secretariat to shoulder the responsibility to determine the “seriousness” of a problem?

c) Comments from the Chairman of the Animals Committee

What is the procedure to follow that the Secretariat is satisfied? Should perhaps the AC and the PC be involved? (Same goes for 1.14 and 1.15).

1.12 The Secretariat should post submitted quotas to the CITES website by 31 December of the year prior to the year to which the quota applies. [SC50 Inf. 1, Annex 2, paragraph c]

a) Comments from China

If the deadline for submission is December 31, could the Secretariat do the job within the same day?

1.13 Any adjustments to the quota must be submitted by 31 May of the year to which the quota applies. [SC50 Inf. 1, Annex 2, paragraph d]

1.14 The Secretariat should review all submitted adjustments to quotas. [SC50 Inf. 1, Annex 2, paragraph d]

a) Comments from Argentina

See Argentina’s comments for 1.11.

1.15 If the Secretariat finds serious problems with the submitted adjustment to a quota, it should withhold publication of the adjustment until it is satisfied. [SC50 Inf. 1, Annex 2, paragraph d]

a) Comments from Argentina

See Argentina’s comment on item 1.11.

b) Comments from China

See China's comment on item 1.11.

1.16 The Secretariat should publish submitted adjustments of quotas by 30 June of the year to which the quota applies. [SC50 Inf. 1, Annex 2, paragraph d]

1.17 In regard to all species except Acipenseriformes spp., if there are separate quotas for specimens of different of different origins (example: one quota for wild-origin specimens and a different quota for ranched specimens) then a separate quota should be declared for each. [SC50 Inf. 1, Annex 2, paragraph f]

1.18 Quotas established without specifying the source of the specimens (example: wild-caught, captive-bred) may lead to differing interpretation and application of the quota (example: a Party might allow or refuse the export or import of captive-bred specimens because they assume that the captive-bred specimens are not covered by the quota). [SC50 Inf. 2, Annex, paragraph 2(b)]

a) Comments from Germany

Already covered under 1.7.

b) Comments from the Chairman of the Animals Committee

Is somewhat in contradiction with 1.7.

1.19 Quotas established with unclear terms to describe the specimens (example: non-productive, ranched) may lead to differing interpretation and application of the quota. [SC50 Inf. 2, Annex, paragraph 2(a)]

a) Comments from Germany

Already covered under 1.8.

1.20 Parties may apply a quota only to certain types of specimens (examples: those used in trade, those used for personal purposes, but not those used for research or educational purposes) rather than applying the quota to all specimens taken from the wild, regardless of the purpose of the use. [SC50 Inf. 1, Annex 1, paragraph 2(b)]

a) Comments from China

To further categorize the quota to types of specimens would make the system too complicated for monitoring.

1.21 What is the relationship between catch and export quotas (see Acipenseriformes spp.)? [SC50 Inf. 1, Annex 1, paragraph 3]

a) Comments from Argentina

The relationship between catch and export quotas is also a part of a non-detriment finding, management plan, sustainable use project, or whatever you wish to call it. Up to the Party concerned.

b) Comments from China

We should only concentrate on the aspect of "export".

c) Comments from the Chairman of the Animals Committee

This is a strange paragraph. While the others have clear instructions ("should", "must", "may"), this is a question out of the blue without answer, like a remark made by the person doing the draft of the document. I think this point needs additional work to make clear what the author(s) want exactly.

1.22 Some Parties have simply issued permits over quota. Lax monitoring, multiple permit issuing authorities, frequent cancellation and re-issuance of permits, unlawful issuance of export permits and other reasons contribute to the Parties issuing permits over their own quotas. [SC50 Inf. 2, Annex, paragraph 3(a)]

a) Comments from China

What would be the 'stick' for a violation of this kind of "voluntary" quota system? Is the incentive still there when compare to the "carrot"?

b) Comments from the Chairman of the Animals Committee

This is somewhat like 1.21 only this time it is a statement. There is no instruction or advice for action, such as "Parties should avoid lax monitoring ... since this contributes to Parties issuing permits over their own quotas".

2. Quotas not fully utilized in a particular year

2.1 Quotas for a given year should not be set at levels to accommodate specimens obtained for export in previous years but for which no export permit was issued in the year in which the specimen was obtained. [SC50 Inf. 1, Annex 2, paragraph h]

2.2 If a Party wishes to carry over unused portions of an export quota to a following year, it should notify the Secretariat. [SC50 Inf. 1, Annex 2, paragraph h]

a) Comments from Germany

This language comes from SC50 Inf. 1, Annex 2, paragraph i).

2.3 If the Secretariat agrees to the carry-over of unused portions of an export quota, it should publish the information through a Notification or on its website. [SC50 Inf. 1, Annex 2, paragraph h]

a) Comments from Argentina

It is not up to the Secretariat to agree on this!

b) Comments from the Chairman of the Animals Committee

Why and how can the Secretariat agree to the carry-over of unused portions of an export quota? What are the criteria? What is the procedure to follow?

2.4 Specimens obtained for export in preceding years should not be authorized for export in following years unless the Management Authority had informed the Secretariat, prior to export, about the quantities still held in stock and the reason why they had not been exported. [SC50 Inf. 1, Annex 2, paragraph h]

a) Comments from Argentina

The reasons why they have not been exported is simply because they would have exceeded the quota?

b) Comments from China

This carry-over of specimens should be included as part of the current year's quota, to facilitate monitoring and reporting.

2.5 For the period of two years after the end of a quota year, specimens for species for which voluntary nationally-established export quotas were fixed may be exported only after the export quotas for that species have been fixed for the current year and those current year quotas have been provided to the Parties from the Secretariat by Notification or posting on the CITES website. [DRAFTERS' NOTE: the meaning of the language in the original paper was unclear; this is the drafter's best effort to express the apparent intent of the original.] [SC50 Inf. 1, Annex 2, paragraph j]

a) Comments from Argentina

Impossible to understand.

b) Comments from China

The meaning of this section is not clear.

c) Comments from Germany

Section 2.5 should be modified to read:

Specimens of species for which voluntarily nationally-established export quotas were fixed may be exported in subsequent years only after export quotas for the calendar year concerned have been submitted and notified by the Secretariat or published on its website.

Alternatively, the following language could be considered by the Working Group:

Unless otherwise requested by the Parties concerned any, voluntarily quotas established for one year will continue for future years (or limited to two years) because allowing export quotas to continue for many years is biologically risky and contradicts the requirement that Scientific Authorities review quotas by making a non-detriment finding.

2.6 A voluntarily quota established by a Party in a particular year shall continue in future years to be the quota for that particular year unless the Parties concerned request otherwise establishing the quota. [SC50 Inf. 1, Annex 2, paragraph j]

2.7 Is it necessary to use carry-over portions, or should the remaining part be subtracted from the following year's annual quota for that species? [DRAFTERS' NOTE: the meaning of the language in the original paper was unclear; is the word "subtracted" the appropriate word in this context?] [SC50 Inf. 1, Annex 1, paragraph 5]

a) Comments from China

Should this paragraph be read together with 2.6?

b) Comments from Germany

The Working Group does not need to consider the use of carry-over portions. Traders are authorized to export specimens obtained in the preceding year, BUT: these specimens will correspond to the new year's quota. You have to consider consistency with the following paragraph: the quotas for the following year (and subsequent years) should not be set at a level to include specimens that were obtained for export in preceding years but for which no export permit was issued in the year in which they were obtained (mentioned under SC50 Inf. 1, Annex 2, paragraph h).

3. Administration of permits pursuant to quotas

3.1 Each export permit issued for a specimen of a species under quota should indicate the quota year, the total number of specimens in the annual quota, and the total number of specimens exported to the date of the issuance of that permit, including those specimens covered by that permit [example: 1250/4000 (2002)]. [SC50 Inf. 1, Annex 2, paragraph g]

3.2 The information referred to in item 3.1, above, should be provided in block 11a of the standard permit form (to be provided in an annex). [SC50 Inf. 1, Annex 2, paragraph g]

3.3 Export permits should only include the quota information for the year in which the permit is issued. [SC50 Inf. 1, Annex 2, paragraph h]

3.4 Export permits issued for specimens related to a quota from a previous year should refer to the previous year's quota, indicate the remaining part for the current year and the total number of specimens of that species exported to date, including those covered by that permit [example: 10/25 (2001) – carry-over]. [SC50 Inf. 1, Annex 2, paragraph i]

a) Comments from China

See China's comments for 2.4.

3.5 The information referred to in item 3.4 above should be provided in block 11a of the standard permit form. In addition, the words "Quota: carry-over of unused portions" should be entered in block 5 of the standard permit form. [SC50 Inf. 1, Annex 2, paragraph i]

- 3.6 Importing Parties shall not accept export permits for specimens subject to a national quota that do not comply with the provisions of [paragraphs (g), (h) and (i) of Doc. SC50 Inf. 1, Annex 2]. [SC50 Inf. 1, Annex 2, paragraph k]
- 3.7 Importing Parties shall not accept export permits for specimens subject to either a voluntarily-established export quota or an export quota allocated by the Conference of the Parties if such permits do not mention the total number of specimens already exported in the current year, including those covered by the permit in question, and the total quota for that year. [SC50 Inf. 1, Annex 2, paragraph l]
- a) Comments from Germany
- This section refers to quotas allocated by the Conference of the Parties and is, therefore, not subject to the mandate of the Export Quota Working Group. Therefore, this item should be considered for a resolution with the aim to integrate existing regulations already mentioned in Resolution Conf. 12.3, section VIII.
- 3.8 Importing Parties shall not accept re-export certificates based on export permits that do not meet the requirements of this paper. [SC50 Inf. 1, Annex 2, paragraph l]
- 3.9 It is recommended that when a Party has an export quota allocated by the Conference of the Parties, each export permit issued pursuant to that quota should contain a statement of the total number of specimens already exported in the current year (including those covered by the permit in question). [SC50 Inf. 1, Annex 2, paragraph a) of "Recommends"]
- a) Comments from Germany
- This section refers to quotas allocated by the Conference of the Parties and is, therefore, not subject to the mandate of the Export Quota Working Group. Therefore, this item should be considered for a resolution with the aim to integrate existing regulations already mentioned in Resolution Conf. 12.3, section VIII.
- 3.10 It is recommended that if the Secretariat, the Standing Committee or the Conference of the Parties requests it, Parties should send copies of permits issued for species subject to quotas to the Secretariat. [SC50 Inf. 1, Annex 2, paragraph b) of "Recommends"]
- a) Comments from Germany
- This section refers to quotas allocated by the Conference of the Parties and is, therefore, not subject to the mandate of the Export Quota Working Group. Therefore, this item should be considered for a resolution with the aim to integrate existing regulations already mentioned in Resolution Conf. 12.3, section VIII.
- 3.11 Most quotas designate specific sources for the specimens in trade, however, some permits issued under these quotas show source codes that are not reflected in the quota (example: some Parties set a quota for wild specimens but issue permits with source codes for captive-bred or farm-raised specimens and then do not apply the permit to the quota; this may be confused in the annual trade report from the importing country, leading to the appearance of quota excesses). [SC50 Inf. 2, Annex, paragraph 1(a)]
- 3.12 The issuance of permits for subspecies under a species quota may cause problems of improper trade reporting or the issuance of permits in excess of a quota (example: the use of an invalid scientific name when a permit is issued at the species level for an elevated sub-species) (example: in 1999, one Party reported a quota at the species level but issued export permits for species and subspecies; in reporting this trade, the Party did not record the exports of the subspecies against the quota). [SC50 Inf. 1, Annex 1, paragraph 8(b)] [SC50 Inf. 2, Annex, paragraph 1(f)] [SC50 Inf. 2, Annex, paragraph 2(c)]
- 3.13 Parties may grant export permits for specimens in which there is no change of owner's possession, including a transfer of residence, and for pre-Convention permits, without considering the management of quota systems. [SC50 Inf. 1, Annex 1, paragraph 2(a)]
- 3.14 Some Parties may issue permits for specimens taken from the wild and used as pets without subtracting that export from the quota for that species. [SC50 Inf. 2, Annex, paragraph 1(d)]

- 3.15 There may be coordination problems among Management Authority offices. [SC50 Inf. 1, Annex 1, paragraph 1] [SC50 Inf. 2, Annex, paragraph 1(e)]
- a) Comments from the Chairman of the Animals Committee
(see 1.21 and 1.22) This is a statement among instructions. It must be amended to say what is to be done to avoid these coordination problems.
- 3.15a Coordination problems among Management Authority offices may be a Small Island States' problem. [SC50 Inf. 1, Annex 1, paragraph 1]
- 3.15b Coordination problems among Management Authority offices may occur where more than one Management Authority is authorized to grant permits concerning nationally fixed quotas. [SC50 Inf. 1, Annex 1, paragraph 1]
- 3.16 Permits are often re-issued for various reasons (example: lost permit). If the exporting Party reports both the original and the re-issued permit, then the actual trade figures will be distorted. The re-issuance of export permits may cause problems. [SC50 Inf. 1, Annex 1, paragraph 8(a)] [SC50 Inf. 2, Annex, paragraph 1(b)]
- a) Comments from the Chairman of the Animals Committee
Does the re-issuance really pose a problem, if the re-issued document clearly indicates that it replaces document number xxx?
- 3.17 Excessive re-issuance of permits may lead to fraud and abuse. [SC50 Inf. 1, Annex 1, paragraph 8(a)] [SC50 Inf. 2, Annex, paragraph 1(b)]

4. Trade reporting

- 4.1 The 1999 WCMC report demonstrates that national reporting of trade in quota species is problematic; importing and exporting Parties often report inconsistent trade levels, with importing Parties regularly reporting higher trade levels than exporting Parties. [SC50 Inf. 1, Annex 1, paragraph 8(c)] [SC50 Inf. 2, Annex, paragraph 3(b)]
- a) Comments from the Chairman of the Animals Committee
The remarks made here do not only apply to trade under quota, but to trade in CITES specimens in general (this holds true also for 4.2, 4.5 and 4.6 and others).
- 4.2 Reporting of trade that is not based on actual trade may cause problems. Many Parties provide annual reports based on permits and certificates issued rather than actual export permits; this often provides an over-count of trade levels if permits are not used, if the quantity exported is less than the quantity permitted, or if re-issued permits are reported in addition to the original permits. [SC50 Inf. 1, Annex 1, paragraph 8(e)] [SC50 Inf. 2, Annex, paragraph 4(a)]
- 4.3 In reporting trade, some Parties have counted permits issued in one year based on the export quotas of previous years or on the quota of the following year. [SC50 Inf. 2, Annex, paragraph 1(c)]
- a) Comments from the Chairman of the Animals Committee
Unclear. In addition this paragraph (as 4.1 and 4.2) merely states a fact, while most others are instructions or advice for actions to be taken.
- 4.4 Annual reports should cover all trade that occurred in a particular calendar year, and when the reports do not cover that calendar year, the information is not comparable with the trade limits set by quotas. [SC50 Inf. 2, Annex, paragraph 4(b)]
- 4.5 At times Parties have not included all actual trade in their annual reports. This probably occurs for a variety of reasons, and can lead to quotas being either exceeded or under-utilized. [SC50 Inf. 2, Annex, paragraph 4(c)]

- 4.6 Export of CITES specimens may not occur until the year after a permit is issued, since permits are valid for six months. Thus, importing countries often report trade the year after a permit is issued, which can lead to a miscount of authorized specimens. [SC50 Inf. 2, Annex, paragraph 4(d)]
- a) Comments from China
- The discrepancies could easily be clarified by referring to the date of issue of the permit.
- 4.7 Late submission of trade reports, or non-submission, is a continuing problem that undermines the use of trade data to manage and implement quota systems properly. [SC50 Inf. 2, Annex, paragraph 4(e)]
- a) Comments from the Chairman of the Animals Committee
- Who is to manage quota systems? If the Management Authority of the exporting country has control over the situation, issues the export permits according to 3.1 and re-starts quotas at zero at the beginning of a new year (i.e. manages and implements its quota system properly), then it could – in theory – never submit a trade report and still manage and implement its quota system properly.
- 4.8 Parties sometimes declare quotas that cover specific parts or derivatives, but often issue permits for live or whole specimens without mentioning such quotas. When exporting and importing Parties submit annual reports, differences in reporting methods lead to uncertainty as to whether this trade should be applied to quotas. [SC50 Inf. 2, Annex, paragraph 4(f)]
- a) Comments from the Chairman of the Animals Committee
- I think this paragraph is somewhat redundant (see e.g. item 3.11).
- 4.9 Some Parties, when submitting annual reports based on permits issued, do not indicate which years the specific permits were issued. Therefore it is unclear to which annual quota a specific transaction should be applied. [SC50 Inf. 2, Annex, paragraph 4(g)]
- 4.10 When quotas are set at a higher taxa level, reporting by exporting and importing Parties can differ significantly, creating confusion as to actual trade levels. [SC50 Inf. 2, Annex, paragraph 4(h)]
- 5. Other issues**
- 5.1 Is it necessary to have a scheme of carrots and sticks? [SC50 Inf. 1, Annex 1, paragraph 6]
- a) Comments from China
- We certainly need this!
- 5.2 The export quota system should be viewed as an economic incentive in which importing countries provide the control, based on transparency and the meeting of certain conditions. Those exporting countries that have a well-implemented quota system will have an advantage. [SC50 Inf. 1, Annex 1, paragraph 6]
- 5.3 Should the aim of the Export Quota Working Group be to provide a draft resolution for CoP13 to consider, taking into account that a resolution of the COP is soft law (not obligatory). [SC50 Inf. 1, Annex 1, paragraph 7(a)]
- a) Comments from Germany
- Germany does not share the opinion that a resolution is not obligatory as reference to the sticks.
- b) Comments from China
- In view of the complexity of the issue, it appears that we should first aim at preparing a separate resolution.
- 5.3a If a draft resolution is prepared, should it be placed within the existing resolution on permits and certificates? [SC50 Inf. 1, Annex 1, paragraph 7(b)]

5.3b If a draft resolution is prepared, should it be a separate resolution on the management of export quotas? [SC50 Inf. 1, Annex 1, paragraph 7(b)]

5.4 A small number of Parties have exceeded annual export quotas immediately following the lifting of a temporary moratorium on the issuance of export permits; this problem may be related to pressure applied from exporters, who may have been stockpiling specimens for export during the period of a trade moratorium. [SC50 Inf. 1, Annex 1, paragraph 8(d)] [SC50 Inf. 2, Annex, paragraph 3(c)]

a) Comments from the Chairman of the Animals Committee

This is an interesting case, because the issue contains scientific as well as administrative (implementation) aspects. It will be interesting to see, how the SC will decide on who should do what (AC, PC implementation sub-committee?).

Incentive – yes, but only if quotas that have been set by exporting countries will be respected and accepted by importing countries. If importing countries will unilaterally decide that e.g. a quota is set to high (unsustainable), and will – as in other instances – decide on their own quota, the system will fail.

One issue, which has not been tackled – and which is strongly related to the issue of the production systems (and source codes) – is the issue that e.g. specimens labelled as “C” or “R” (under quota!) are indeed neither captive-bred nor ranched in the true sense.

Speaking about “carrots” I think the paper needs some additional text, instructing Management Authorities how (on what criteria) quotas can and should be calculated and can and should be set.

6. Other comments

a) Comments from Argentina

The system described under item 3 is so complicated that Parties may decide not to report their quotas on a voluntary basis, are we contributing here to improve anything?

b) Comments from Australia

Australia fully agrees with the comments from Argentina - it is worth noting that where other management tools are better suited to the biological, administrative or other management context, the use of quotas could have the opposite effect, e.g. where a quota for a particular year was impacted due to climatic issues, a drought for instance, there could still be pressure to fill the quota.

The addition of further administrative layers as proposed is very likely to act as a disincentive. In contexts where the establishment of a quota would be the most effective management tool, the use of that tool should be made more, not less attractive to exporting countries.

Recognizing that there are a variety of management tools available, the objectives of the Convention would be better served by ensuring that the design of a specific management regime is the most appropriate for the administrative and biological context.

Australia believes that better wildlife conservation outcomes will be achieved if Parties focus on the task of building capacity with exporting countries to ensure that non-detriment decision making is based on a sound scientific basis, and harvests are managed in the manner most appropriate to the specific administrative and biological context.

To quote the most recent CITES Newsletter - “Finally, surrounded by these overwhelming numbers, Willem Wijnstekers, Secretary-General of CITES, invites us to return to the basics of CITES and refrain from making CITES more complicated than it needs to be. ‘There are, after all, only three Appendices’.”

CITES Export Quota Working Group

April 2004

Combined version of the issues, questions and concerns raised by Germany and the United States regarding the management of export quotas

Basic principles for quota management:

- for exports in a special calendar year¹ (maximum number that can be exported in that year)
- in general not for specimens obtained for export in previous year (see problem carry-over)
- refer, unless otherwise specified, to specimens of wild origin; terms used to define or clarify the quota should be terms already used or defined in the text of the Convention or in adopted resolutions
- standard nomenclature shall be used
- define the scope of quotas (see Scope of nationally-established quotas)

Obligations for the country of origin

- establish scientific based quotas (the how is not subject of this working group)
- submit quota information to the Secretariat for publication
- submit quota information to the Secretariat for the following years in time (see problem: Deficiency of information)
- any adjustments to the quota must be submitted by a deadline (31 May?) of the year to which the quota applies
- each export permit issued for a specimen of a species under quota should indicate the quota year, the total number of specimens in the annual quota, and the total number of specimens exported to the date of the issuance of that permit, including those specimens covered by that permit
- export permits should only include the quota information for the year in which the permit is issued, otherwise not be acceptable
- export permits issued for specimens related to a quota from a previous year should refer to the previous year's quota, indicate the remaining part for the current year and the total number of specimens of that species exported to date, including those covered by that permit (see problem carry over portions)
- refer (in export permits) to the export quota in relation to the source especially when separate annual export quotas have been established according to the source of the specimens
- find solutions for the coordination among designated Management Authority offices where more than one Management Authority is authorized to grant permits concerning nationally fixed quotas (see coordination problems)

Role of the Secretariat

- review all submitted quotas and all submitted adjustments to quotas

¹ For strictly biological reasons of different kinds, it may be difficult to establish quotas for a calendar year.

- criteria for serious problems with a submitted quota or submitted adjustments to quotas which allows the Secretariat to withhold publication until it is satisfied
- post submitted quotas and submitted adjustments to quotas to the CITES website (by a deadline?)

Problems and discussion points:

1. Deficiency of information

Problems arise in the beginning of a new year until new information about voluntarily fixed quotas by the countries of origin is notified or posted on the Secretariat's website. In general, it is expected that voluntarily fixed quotas are continued unless otherwise requested and justified. To help country of origins in the management of quotas it could be sensible to maintain the same quota for more than one year without the need to inform the Secretariat every year.

[Proposal: unless otherwise requested by the Parties concerned any voluntarily quota established for one year will continue for the next two (?) years]

2. Coordination problems

Among Management Authority offices (Small Island States' problem) where more than one Management Authority is authorized to grant permits concerning nationally fixed quotas

- a) What are the problems?
- b) Solutions to ensure an effective administration of quota systems

3. Carry over portions

- a) You are authorized to export specimens obtained in the preceding year, BUT: these specimens will correspond to the new year's quota. (AR)
- b) Remaining part explicitly indicated as proposed in SC50 Inf. 1, Annex 2, paragraph i. and under following conditions
 - i) Parties have to inform the Secretariat about the quantities still held in stock and the reason why they had not been exported
 - ii) Parties have to inform the Secretariat about the wish to carry over unused portions of an export quota to a following year

4. Do we need deadlines for submitting voluntarily fixed quotas for one year?

- a) by 31 December
- b) whenever possible?

5. Scope of nationally established quotas

- a) – export permits without considering the management of quota systems may be granted
 - in case of exports without change of owner's possession (transport of pets, pet permits;
 - in case of transfer of the normal place of residence to another country (change of residence); and
 - in case of pre-convention specimens
- b) Has the purpose of transaction/export/import influence of the application, especially for specimens used for research or educational purposes?

6. 'carrots and sticks'

Sticks:

- acceptance of export permits only under certain conditions (see permit obligations for the country of origin)
- acceptance of re-export permits only under certain conditions (see permit obligations for the country of origin and item above)

Carrots

- economic incentive
- transparency
- certainty (positiveness) that trade is without any problems when certain conditions in the framework of a quota system are met

7. Control of the quota system / trade reporting

- the issuance of permits for subspecies under a species quota may cause problems of improper trade reporting or the issuance of permits in excess of a quota
- transparency for all Parties which trade in specimens is affected by the fixed quota (see scope of nationally established quotas)
- re-issuance of permits (problem of transparency, reporting and control)
- trade after a ban is lifted may lead to exceeded annual quotas

8. General reporting problems

- reporting of trade that is not based on actual trade may cause problems
- importing and exporting Parties often report inconsistent trade levels
- in reporting trade, some Parties have counted permits issued in one year based on the export quotas of previous years or on the quota of the following year (reason: Export of CITES specimens may not occur until the year after a permit is issued, since permits are valid for six months)
- annual reports should cover all trade that occurred in a particular calendar year, and when the reports do not cover that calendar year, the information is not comparable with the trade limits set by quotas
- late submission of trade reports, or non-submission, is a continuing problem that undermines the use of trade data to manage and implement quota systems properly
- some Parties, when submitting annual reports based on permits issued, do not indicate which years the specific permits were issued. Therefore it is unclear to which annual quota a specific transaction should be applied.
- when quotas are set at a higher taxa level, reporting by exporting and importing Parties can differ significantly, creating confusion as to actual trade levels.

9. Result of the working group:

- a draft resolution
 - within the existing resolution on permits and certificates or
 - a separate resolution on the management of export quotas
- or not obliging guidelines only (notification).