

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

Thirteenth meeting of the Conference of the Parties
Bangkok (Thailand), 2-14 October 2004

Interpretation and implementation of the Convention

Trade control and marking issues

PRODUCTION SYSTEMS FOR SPECIMENS OF CITES-LISTED SPECIES

1. This document has been submitted by the United States of America.

Introduction

2. The Animals and Plants Committees have both expressed their concerns that CITES definitions of production systems are not fully understood and are not being used appropriately or consistently by all Parties. For the past several years, the issue of clearly identifying and defining production systems of CITES-listed species and determining under which CITES permit source code each system fits has been discussed extensively by both committees. However, the main goal of clearly identifying and defining production systems of CITES-listed species and determining under which permit source code each system fits remains unfulfilled.
3. A summary of the history of the issue of production systems in both the Animals and Plants Committees is provided in Annex 2 of this document. The issue of production systems of CITES-listed species originated in the Animals Committee at its 15th meeting (AC15, Antananarivo, July 1999). At AC15, the Animals Committee addressed the issue of the permit source code 'R', for ranched specimens, being applied inconsistently by the Parties. The Secretariat contracted Dr Hank Jenkins to prepare a document for AC16 (Shepherdstown, December 2000) that described the various production systems for CITES-listed animal species. Beginning at the 11th meeting of the Plants Committee (PC11, Langkawi, September 2001), the Plants Committee began to mirror the efforts of the Animals Committee to identify the various plant production systems. The Vice-Chairman of the Plants Committee was tasked with preparing a document for PC12 (Leiden, May 2002) collating information on the different plant production systems.
4. The issue of production systems continued to be discussed separately in the Animals and Plants Committees and figured on the agendas of AC17 through AC20 and PC12 through PC14.
5. Leading into AC19 and PC13 (both held in Geneva in August 2003), the production systems discussions in both Committees appeared to be heading toward the same objectives. The Secretariat contracted the IUCN/SSC Wildlife Trade Programme to prepare a report on the issue. However, the Animals and Plants Committees concluded that the IUCN/SSC report on production systems presented at PC14 (Windhoek, February 2004, document PC14 Doc. 15, Annex) and AC20 (Johannesburg, March-April 2004, document AC20 Inf. 15) did not clearly define production systems or clearly indicate the appropriate permit source codes for them. Rather, the report confused the issue by linking it with other separate issues, such as the relationship between *in situ* conservation and *ex situ* production, economic incentives to encourage conservation and how to make non-detriment findings.
6. At AC20, the United States submitted information document AC20 Inf. 18 listing plant and animal production systems, grouped by permit source codes, that was reviewed by the production systems working group of the Animals Committee. Based on the review of these documents, the working group recommended, and the Animals Committee agreed, that a joint working group of the Animals and Plants Committees be formed at CoP13, to be tasked with examining the documents that have

been developed so far on production systems, identifying and defining different production systems for animals and plants, and determining the appropriate source codes for each.

Conclusions

7. Due to ongoing confusion on this issue, it is important now for the Parties to re-focus their efforts on clearly identifying and defining the different production systems for specimens of CITES-listed species of animals and plants. The United States agrees with the recommendations made by the Animals Committee and believes that this issue should be addressed by a joint working group established at CoP13. However, the Parties should be aware that a number of existing CITES Resolutions could potentially need to be revised based on the outcome of the working group's discussions (a list of these Resolutions is provided in Annex 3 of this document). Therefore, to assist in moving forward, the United States offers the following recommendations.

Recommendations

8. The United States recommends that:
 - a) The Parties adopt the draft decision included as Annex 1 of this document, which establishes an intersessional joint working group of the Animals and Plants Committees on production systems for specimens of CITES-listed species; and
 - b) the group meet at CoP13 to plan its course of action and then carry out its work during the intersessional period between CoP13 and CoP14.

COMMENTS FROM THE SECRETARIAT

- A. As indicated in the document submitted by the United States of America, the Animals and Plants Committees examined production systems for CITES-listed species between CoP12 and CoP13, and formulated recommendations that appear in documents CoP13 Doc. 9.1.1 and CoP13 Doc. 9.2.1. These state *inter alia* that the two Committees should be jointly involved in examining the definitions of the different production systems for animals and plants and determine the appropriate source codes for each. It might therefore be useful for the Animals and Plants Committees to take some or all of the proposed Terms of Reference in Annex 1 of this document into consideration.
- B. Concerning the draft decision proposed in Annex 1, the Secretariat is of the opinion that the Animals and Plants Committees, and not their joint working group, should report to the Conference of the Parties on this matter, as suggested in paragraph f). Paragraph d) seems unnecessary and possibly confusing: the origin of the specimens to be exported and the source codes to be applied on CITES documents are determined by the Management Authority, not the Scientific Authority. Whenever an export permit is required under the terms of the Convention, it may be issued only if a Scientific Authority has advised that the proposed export will not be detrimental to the survival of the species concerned. It is therefore not clear how source codes could 'replace' non-detriment findings.
- C. The Secretariat seeks clarification of the practical use of determining under which existing CITES permit source code the various production systems fit [paragraph b) ii) of Annex 1 of this document], and particularly how this would be of assistance to CITES Management and Scientific Authorities. It recommends that the purpose, outputs and target audience of the review to be undertaken by the joint working group be much more clearly defined.

DRAFT DECISION OF THE CONFERENCE OF THE PARTIES

Directed jointly to the Animals and Plants Committees

Regarding the establishment of a working group on production systems for specimens of CITES-listed species

- 13.xx The Animals and Plants Committees shall establish an intersessional joint working group with the following Terms of Reference:
- a) the working group shall be composed of members and observer Parties within the Animals and Plants Committees, from as many of the six different CITES regions as possible, with expertise in determining and defining the existing production systems for specimens of CITES-listed species of animals and plants;
 - b) the working group shall:
 - i) focus on defining clearly key elements of the different production systems for specimens of CITES-listed species of animals and plants, and, if appropriate, developing as far as possible a list of specific production systems currently being utilized by Parties; and
 - ii) determine under which existing CITES permit source code each production system appropriately fits and whether the addition of any new source codes is necessary;
 - c) to avoid duplication of work, the working group should use as a basis for their discussions the following documents on production systems from previous meetings of the Animals and Plants Committees:
 - i) AC20 WG6 Doc. 1 – Report of the AC20 working group on Control of captive breeding, ranching and wild harvest production systems for Appendix-II species;
 - ii) AC20 Inf. 18 – Plant and animal production systems and CITES source codes (prepared by the United States);
 - iii) AC20 Inf. 15 – Draft review of production systems – Report to CITES Secretariat (prepared by the IUCN/SSC Wildlife Trade Programme);
 - iv) PC12 Doc. 23.1 – CITES plant production systems (prepared by the Vice-Chairman of the Plants Committee);
 - v) AC19 WG4 Doc. 1 (Rev. 1) – Report of the AC19 working group on Control of captive breeding, ranching and wild harvest production systems for Appendix-II species;
 - vi) Annex 8.2 of Summary record of the 18th meeting of the Animals Committee – Report of the Coral Working Group on coral production systems;
 - vii) AC17 Inf. 12 – Wild fauna management and production systems: Their description, conservation implications and treatment by CITES (prepared by Dr Hank Jenkins of Creative Conservation Solutions); and
 - viii) AC17 Doc. 14 (Rev. 1) – Control of captive breeding, ranching and wild harvest production systems for Appendix-II species (prepared by Dr Hank Jenkins of Creative Conservation Solutions);
 - d) in evaluating production systems and determining under which source code each production system fits, the working group should take into account that both the Animals and Plants

Committees have agreed that source codes should not be used to replace non-detriment findings by Scientific Authorities;

- e) the working group should provide interim reports on its progress toward the achievement of its goals at each Animals and Plants Committee meeting between the 13th and 14th meetings of the Conference of the Parties;
- f) after incorporating suggestions from both the Animals and Plants Committees, the working group should submit a final report, which may include a draft resolution of the Conference of the Parties, for consideration at the 14th meeting of the Conference of the Parties; and
- g) the working group should carry out the majority of its work via email to keep costs to a minimum.

History of the CITES production systems issue in the Animals and Plants Committees

History of the issue in the Animals Committee

At AC15 (Antananarivo, July 1999), Resolution Conf. 10.18 (later replaced by Conf. 11.16) on ranching and trade in ranched specimens was reviewed. The original intent of the Parties in adopting resolutions on ranching, beginning at CoP3, was to provide a mechanism for improving the conservation of wild populations of an Appendix-I species through ranching of the species, whereby the ranched population could be transferred to Appendix II. A concern expressed at AC15 was that many management techniques used by operations describing themselves as ranching facilities did not conform to the original concept of ranching as envisioned by the Conference of the Parties. Similar concerns had been raised in the Significant Trade Working Group in relation to the making of non-detriment findings. To address these concerns, the Animals Committee asked the Secretariat to prepare a document for AC16 detailing the different management systems associated with captive production and ranching operations. Under contract to the Secretariat, a document was prepared for AC16 by Dr Hank Jenkins, of Creative Conservation Solutions and former Chairman of the Animals Committee.

At AC16 (Shepherdstown, December 2000), a working group of Committee members and observer Parties commented on the draft document that Dr Jenkins had prepared. The Animals Committee Chairman requested Dr Jenkins to submit a revised document based on the comments received for AC17.

At AC17 (Hanoi, July-August 2001), Dr Jenkins submitted a revised document that had incorporated some of the comments from AC16, but not all. The document and its impacts on existing Resolutions was discussed. A working group was established to discuss the issue further. In addition, the Secretariat was instructed by the Animals Committee to send a Notification to the Parties inquiring about animal production systems and whether the systems listed in Dr Jenkins' document in fact incorporated the different systems. However, the Parties never received such a notification from the Secretariat.

At AC18 (San José, April 2002), the Secretariat reported that, since AC17, it had contracted the IUCN/SSC Wildlife Trade Programme to progress this issue, taking into account the discussions by the working groups at AC16 and AC17. IUCN/SSC prepared a draft report, but discussion of it was deferred until AC19. It was reported at AC18 that the Plants Committee had also set up a working group to identify the different plant production systems.

At AC19 (Geneva, August 2003), IUCN/SSC introduced their draft report as an information document (AC19 Inf. 6). The Secretariat submitted document AC19 Doc. 14 at the same meeting requesting the Animals Committee to consider establishing a small technical working group to review and refine IUCN/SSC's conclusions, so that IUCN/SSC could finalize its report. The Committee established the working group, which reviewed the IUCN/SSC document at AC19 and recommended the following in document AC19 WG4 Doc. 1 (Rev. 1):

1. production systems should be grouped based on three main characteristics: the level of wild collection and its impact on population survival; the extent to which wild collection is offset by enhancing productivity through rearing; and the extent to which specimens are bred in captivity according to Resolution Conf. 10.16 (Rev.);
2. the existing source codes (C, D, F, R, and W) should be maintained in order to remain simple, practical and clear;
3. source code C should be used for specimens bred in captivity according to Resolution Conf. 10.16 (Rev.) and source code D should be used for specimens from operations (registered with the Secretariat) breeding Appendix-I species for commercial purposes;
4. source code F should be used for specimens resulting from the exchange of gametes under captive conditions or propagated asexually in captivity that do not fulfil the definition of 'bred in captivity' in Resolution Conf. 10.16 (Rev.);

5. with regard to source code R, the ranching resolution (Resolution Conf. 11.16) should be revised to include ranching operations other than those linked to a transfer from Appendix I to Appendix II;
6. source code W should be used for wild specimens and should refer to specimens from any source other than C, D, F or R; and
7. interpretive material with relevant examples of production systems under the existing source codes should be developed, and should include a description of elements that should be considered in making non-detriment findings within each production system.

At AC20 (Johannesburg, March-April 2004), the Animals Committee established a working group to review the IUCN/SSC document on production systems (document AC20 Inf. 15), which had been revised since AC19, and the sample document listing plant and animal production systems, grouped by permit source codes, submitted as information document AC20 Inf. 18 by the United States. The working group carried out this review at AC20 and recommended the following (see document AC20 WG6 Doc. 1):

1. the recommendation of the working group from AC19 be upheld that the existing source codes (C, D, F, R and W) should be maintained in order to remain simple, practical and clear;
2. the recommendations of the working group from AC19 on how each source code should be upheld;
3. a joint working group of the Animals and Plants Committees be formed at CoP13 and be tasked with examining the documents that have been developed, identifying and defining different production systems for animals and plants, and determining the appropriate source codes for each; and
4. once the different production systems for animals and plants have been identified and defined, and the appropriate source code for each has been determined, this information should be provided to the Parties as guidelines for production systems, and the information should stress that source codes are not a substitute for non-detriment findings.

The United States provided the AC20 working group with a draft document addressing the issues addressed in this CoP13 document and draft decision, and the working group was very supportive of moving forward along the path suggested in that document.

History of the issue in the Animals Committee specifically related to coral

Discussions of mariculture in the Animals Committee have also included the issue of production systems specific to coral. A small Animals Committee working group on coral trade (established at AC16) analysed various types of production systems for stony corals, and recommended ways to apply existing CITES permit source codes to these systems. These recommendations were approved by the Animals Committee at AC18, but have not been distributed by the Secretariat since their approval. The Secretariat indicated that a full discussion of all animal and plant production systems may change the Animals Committee's recommendations on coral source codes.

History of the issue in the Plants Committee

Decision 11.155 (regarding timber species), adopted at the 11th meeting of the Conference of the Parties (Gigiri, 2000), directed the Secretariat to investigate the potential for silviculture techniques to be dealt with in the context of CITES Resolutions on ranching and quotas, as well as in accordance with the definition of 'artificially propagated' contained in Resolution Conf. 11.11, to determine whether these concepts provide useful bases for establishing trade regimes for timber species. The Secretariat submitted a document on this issue for PC10 (Shepherdstown, December 2000), which included a proposal for a silviculture permit source code similar to the one for ranching. The European Union, Germany, and the United States objected to the creation of an intermediate source code for silvicultured timber. This was because the term 'silviculture' is not applied uniformly by range States and can be defined differently by different countries or even within the same country. However, the Plants Committee agreed that work should continue on the issue and the Secretariat should present a document on its findings at PC11 (Langkawi, September 2001).

The Secretariat submitted a document for PC11 on the possibility of creating a new permit source code for silviculture. Germany submitted a separate document on production systems of *Galanthus* bulbs in Georgia. After discussions of these two documents at PC11, the Plants Committee agreed that the Vice-Chairman of the Committee would spearhead the preparation of a document for PC12 (Leiden, May 2002) identifying and describing the different plant production systems. The Plants Committee felt that preparation of such a document would parallel work going on in the Animals Committee.

The Vice-Chairman of the Plants Committee submitted document PC12 Doc. 23.1 at PC12 that included a broad list of production system categories provided by the United States, as well as a table (checklist) showing how such production systems for wild plants and plant materials might be used to help CITES Scientific Authorities make non-detriment findings. The document reported that there were a large number of production systems in existence and found that a number of Parties did not believe that creating new permit source codes based on the many production systems was appropriate or helpful for CITES implementation. They believed that new codes might confuse Parties and suggested that additions of any new source codes should be kept to an absolute minimum. The document also concluded that source codes should be considered as a complement for Scientific Authorities when they make non-detriment findings but should not replace the findings.

It should be noted that an associated document was submitted by the Secretariat for PC12 (document PC12 Doc. 19). This document was a project proposal by TRAFFIC to evaluate timber certification schemes. The objective of the project was to determine whether certification schemes are compatible with the scientific process by which non-detriment findings are made for the export of Appendix-II tree species. Several Parties at PC12 objected to this study, pointing out that current timber certification schemes only covered a minority of populations and that the schemes could vary widely from country to country. The Plants Committee decided that the study would be postponed indefinitely.

The Secretariat submitted document PC13 Doc. 25.1 at PC13 (Geneva, August 2003) reporting that the Secretariat had contracted with the IUCN/SSC Wildlife Trade Programme to work on the issue of defining plant production systems. Reflecting the proposal in the production systems document submitted by the Secretariat for AC19, the PC13 document proposed that the Plants Committee consider establishing a small technical working group to review and refine the IUCN/SSC's conclusions, and to progress with classifying different production systems for CITES-listed plant species in trade. The IUCN/SSC report was not prepared in time for discussion at PC13. However, the production systems issue was raised at PC13 along with the issue of the relationship between *in situ* conservation and *ex situ* production of plants. The Plants Committee agreed to consider the forthcoming IUCN/SSC report before deciding on a course of action at PC14 (Windhoek, February 2004).

At PC14, the production systems issue was again raised along with the issue of the relationship between *in situ* conservation and *ex situ* production in plants, and the IUCN/SSC report was discussed. The observer from the United States and from several other Parties at PC14 thought that the report confused the issue of production systems with the issue of the relationship between *in situ* conservation and *ex situ* production for plants, and that these should remain separate issues. The Plants Committee concluded that the IUCN/SSC report did not clearly define production systems or clearly indicate their appropriate permit source codes.

Resolutions that might have to be revised
based on the results of a joint working group on production systems

The Parties should be made aware that the following existing CITES Resolutions might have to be revised, based on the outcome of the discussions of the working group on production systems:

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| Conf. 2.11 (Rev.): | Trade in hunting trophies of species listed in Appendix I |
| Conf. 7.12 (Rev.): | Marking requirements for trade in specimens of taxa with populations in both Appendix I and Appendix II |
| Conf. 9.20 (Rev.): | Guidelines for evaluating marine turtle ranching proposals submitted pursuant to Resolution Conf. 10.18 |
| Conf. 10.13: | Implementation of the Convention for timber species |
| Conf. 10.16 (Rev.): | Specimens of animal species bred in captivity |
| Conf. 11.10 (Rev. CoP12): | Trade in stony corals |
| Conf. 11.11: | Regulation of trade in plants |
| Conf. 11.12: | Universal tagging system for the identification of crocodylian skins |
| Conf. 11.16: | Ranching and trade in ranched specimens of species transferred from Appendix I to Appendix II |
| Conf. 11.17 (Rev. CoP12): | Annual reports and monitoring of trade |
| Conf. 12.3: | Permits and certificates |
| Conf. 12.7: | Conservation of and trade in sturgeons and paddlefish |
| Conf. 12.8: | Review of Significant Trade in specimens of Appendix-II species |
| Conf. 12.10: | Guidelines for a procedure to register and monitor operations that breed Appendix-I animal species for commercial purposes |