



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 todays 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)



Customs procedures (as they are)

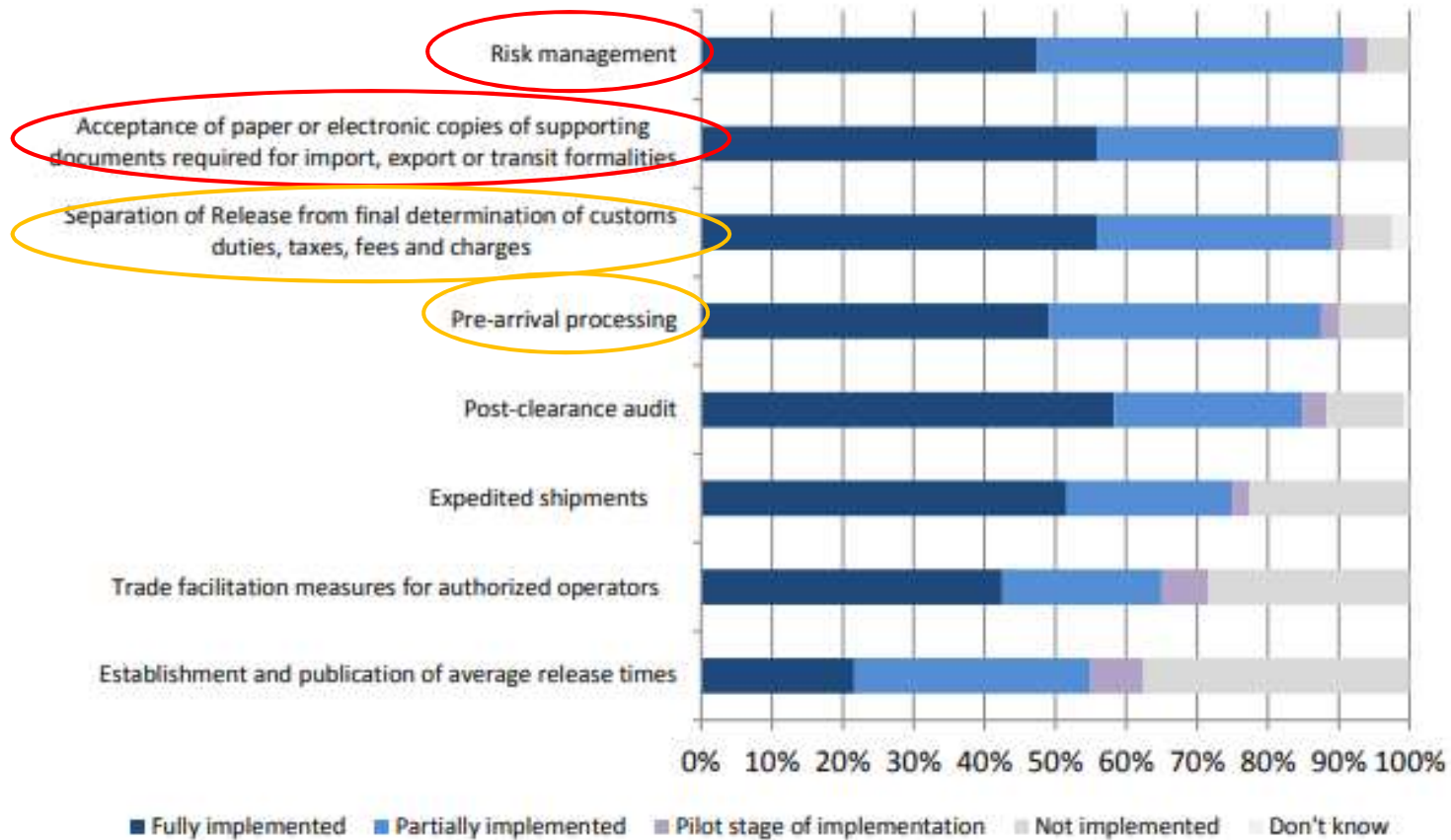


UNODC and WCO on border controls:

- 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

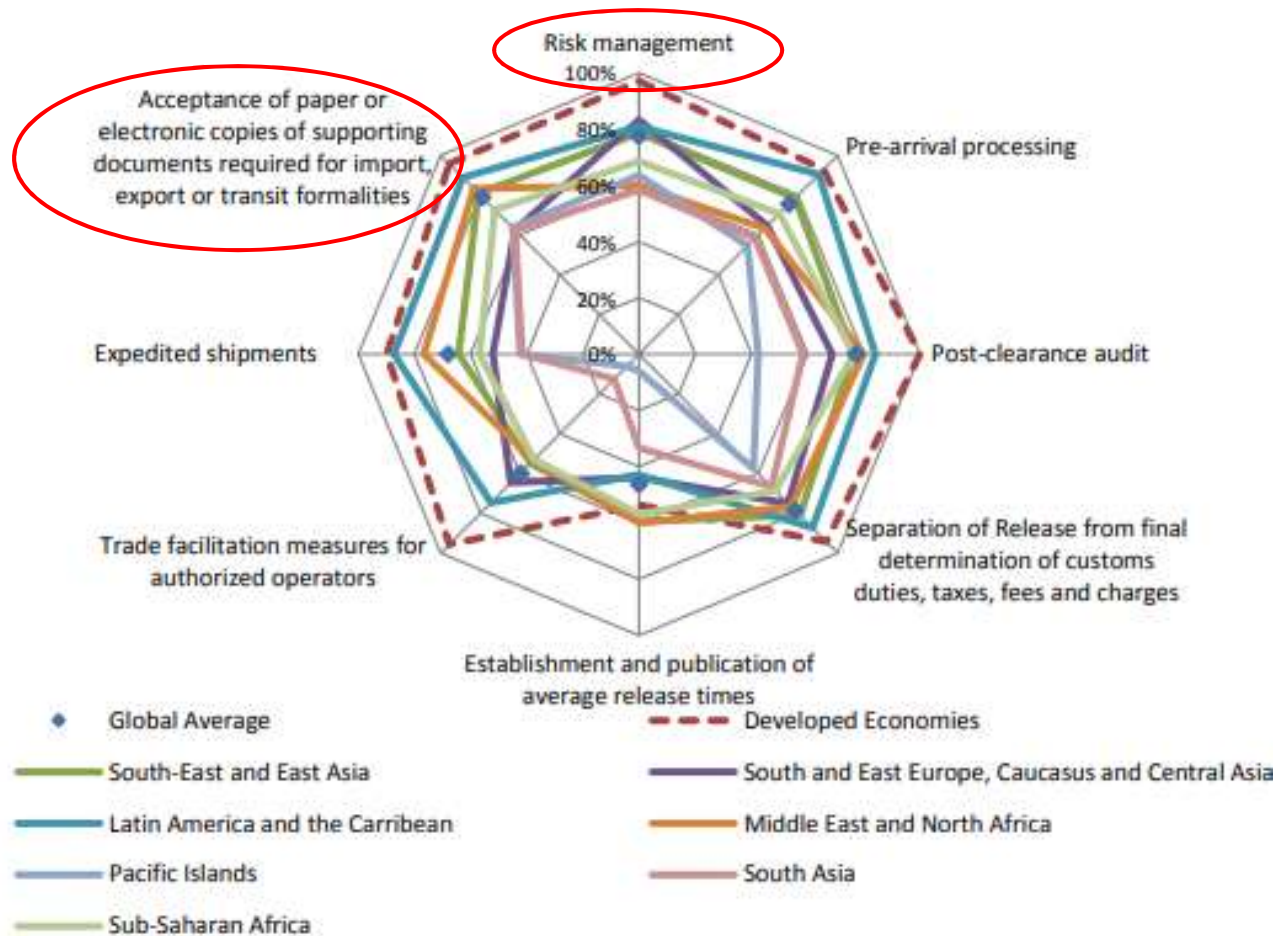


Source: The UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.



A reality in developing AND developed countries

Figure 10: Implementation of “formalities” measures in various regions globally



Source: The UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017.

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

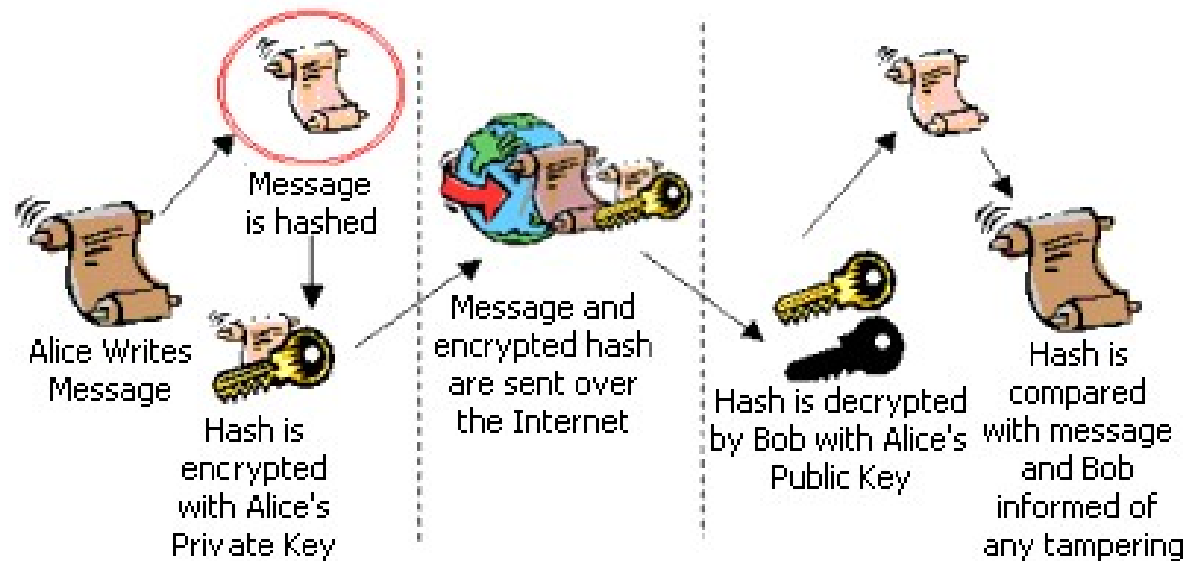
- Awareness of Parties on the importance and role of RM for CITES controls
- Recommendations from CoP
- Collaboration between MAs and Customs authorities on RM
- Development of guidelines, training materials and support to MAs
- Create buy-in and establish collaboration: capacity building, workshops,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

It can be done but not in a day!



Electronic signatures in CITES permits

Digital signature:



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?



Electronic procedures and impact on CITES: Mandates for the new Working Group

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:

http://www.unodc.org/documents/organized-crime/containerprogramme/CCP_Annual_Report_2015_final_February.pdf

Trade Facilitation and Paperless Trade Implementation Global Report 2017

http://www.unece.org/fileadmin/DAM/trade/TF_JointUNRCsApproach/GlobalReport_Oct2017.pdf

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

http://ec.europa.eu/environment/cites/pdf/reports/2016_overview_significant_seizures.pdf

Report of the Working Group on electronic systems and Information technology, CITES SC70 Doc. 40

<https://cites.org/eng/com/sc/70/index.php>

