



# CITES and the WTO

## Enhancing Cooperation for Sustainable Development



## **World Trade Organization**

The World Trade Organization (WTO) is the international body dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible, with a level playing field for all its members. Sustainable development is an objective of the WTO, as reflected in the Preamble of the Marrakesh Agreement Establishing the WTO.

## **Convention on International Trade in Endangered Species of Wild Fauna and Flora**

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. CITES works by subjecting international trade in specimens of selected species to certain controls. All import, export, re-export and introduction from the sea of species covered by the Convention has to be authorized through a licensing system.

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## Foreword

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The year 2015 marks the 40th anniversary of the entry into force of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the 20th anniversary of the establishment of the World Trade Organization (WTO). Our organizations are very closely connected. CITES is among the earliest multilateral environmental agreements that make extensive use of trade-related measures to achieve their goals, while the WTO provides the rules and structures of the multilateral trading system.

The purpose of this publication, which is a joint initiative of the CITES and WTO secretariats, is to look back at the relationship between our organizations, and to identify the main elements that have contributed to its harmonious development. The experience of cooperation and cohesion between our two organizations is particularly relevant at a time when the world is nearing key milestones in sustainable development, notably the UN Summit on the Post-2015 Development Agenda.

The present joint publication illustrates how the relationship between CITES and the WTO has evolved into a leading example of how global trade and environmental regimes can support each other and work coherently to achieve shared objectives. This owes much to the establishment in the early 1970s of a multilateral, rules-based framework to regulate international trade in wildlife, in recognition of the need for a global, rather than a fragmented, approach to achieving this goal. The CITES framework meshed well straightaway with the multilateral system of trade rules, which provides broad scope for the adoption of trade-related measures to protect the environment and pursue other legitimate policy goals. Furthermore, the emphasis on transparency by both CITES and the WTO in their day-to-day work has served to demystify the role and functions of the organizations and helped to build trust between the trade and wildlife policy communities.

Underpinning the positive evolution of the CITES-WTO relationship is the growing recognition that the well-being of economies, habitats, and societies are inextricably linked. This has led CITES and the WTO to embark on more active forms of cooperation to assist governments in ensuring that trade, environment, and development



WTO Director-General Robert Azevêdo and CITES Secretary-General John E. Scanlon (right).

policies work together for sustainable development. Such cooperation includes periodic institutional and policy dialogues, and joint technical assistance and capacity-building activities.

We remain committed to building on this strong foundation of cooperation to further improve the mutual supportiveness between our organizations. In fact, the WTO's recent success in concluding the negotiation of the Trade Facilitation Agreement opens up new opportunities for collaboration. Appropriate trade facilitation efforts can foster cooperation between customs, wildlife and trade officials at the national and international levels and support efforts by CITES to better regulate legal, sustainable and traceable trade in wildlife, especially in developing countries. This could further strengthen the positive contribution of our organizations to the achievement of core conservation and sustainable use objectives that also deliver economic and social benefits.

In this pivotal year for sustainable development, we must keep in mind the importance of continuously strengthening multilateral and cross-cutting cooperation to tackle increasingly interconnected global challenges. The relationship between CITES and the WTO offers a valuable example of how different global governance frameworks can work in concert to help deliver on the world's common aspiration for sustainable development.

A handwritten signature in blue ink, appearing to be 'John E. Scanlon'.

John E. Scanlon  
*CITES Secretary-General*

A handwritten signature in black ink, appearing to be 'Roberto Azevêdo'.

Roberto Azevêdo  
*WTO Director-General*

## Setting the scene for a harmonious relationship

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People around the globe have been trading in wildlife for centuries. In the ancient world, demand for wild exotic plants used as spices, incense or perfumes led to the development of an extensive network of trade routes connecting West to East by land and by sea. Nonetheless, the scale of that trade was nothing compared to the 7 billion people consuming biodiversity products in today's globalized economy.

Before the adoption in 1973 of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), also known as the Washington Convention, international trade in wildlife was largely unregulated at the global level. Several international instruments related to wildlife conservation had been concluded in the early part of the 20th century. Nonetheless, their membership and species coverage were limited; efforts to implement them were not sufficient to be effective and a number had become somewhat outdated. With the exception of certain national laws or bilateral or regional agreements, countries were therefore quite free to trade with each other in wild animal or plant species, in any quantity, and without needing to report such trade to any global entity.

With the post-World War II economic recovery, wildlife trade increased significantly. The new focus on 'charismatic mega-fauna' and species-based conservation approaches proved insufficient to slow the decline of certain species populations. Moreover, future trends looked worrying in light of some instances of overexploitation, a growing human population and ever-increasing trade activity. Additional pressures on wildlife took the form of habitat loss and pollution.



Strong apprehension about the impact of wildlife exploitation and trade on conservation was voiced for the first time at the seventh General Assembly (Warsaw, 1960) of the International Union for the Protection of Nature. Later known as the International Union for the Conservation of Nature (IUCN), this international organization was established in 1948 with members from governmental and non-governmental organizations. Based on new information about the conservation status of many species, IUCN delegates urged the adoption of import restrictions on animals that would match the export regulations of countries of origin.

For such a system of trade controls to work, importing countries needed information on the regulations of exporting countries. However, at the time, no international legal framework for such information exchanges existed. This led delegates gathered at the eighth IUCN General Assembly (Nairobi, 1963) to recommend that an international convention to regulate trade in "rare or threatened wildlife species or their skins and trophies" be drafted and submitted for the approval of governments.

Ten years later, government delegates to the 1972 United Nations Conference on the Human Environment agreed on the Stockholm Action Plan for the Human Environment, which included a recommendation that "a plenipotentiary conference be convened as soon as possible, under appropriate governmental or intergovernmental auspices, to prepare and adopt a convention on export, import and transit of certain species of wild animals and plants". The Plenipotentiary Conference to Conclude an International Convention on Trade in Certain Species of Wildlife was held from 12 February to 2 March 1973 in Washington, D.C., and attended by representatives from 80 countries.

The final convention text was signed on 3 March 1973 by 21 countries. It contained a preamble and 25 articles as well as three species lists (Appendices I, II and III) and a permit model (Appendix IV). CITES entered into force on 1 July 1975 and will have 181 Parties as of 8 July 2015, when the accession by the European Union enters into force.

CITES establishes a legal framework for the regulation of trade in specimens of wild animals and plant species, including fish and timber. The Convention is an early example of a multilateral framework to tackle a global environmental problem through international cooperation. This reflects the reality that living resources do not know national boundaries, and that living resources in one state



CITES Plenipotentiary Conference, Washington, D.C., 3 March 1973

may be affected by activities carried out in another. In its Preamble, CITES recognizes that peoples and states are – and should be – the best protectors of their own wild fauna and flora. At the same time, it recognizes in another part of the Preamble that international cooperation is essential for the protection of certain wildlife species against over-exploitation through international trade. The Convention may therefore be seen as recognition of the need for a global approach to the regulation of international wildlife trade that favours multilateral cooperation and concerted action, while also preserving the right of states to adopt stricter domestic measures.

In the decades that followed the entry into force of CITES, particularly the late 1980s and early 1990s, the possible trade-offs and synergies between trade, the environment and development were the subject of increased attention. For example, a 1991 General Agreement on Tariffs and Trade (GATT) dispute involving the protection of wildlife put the spotlight on the risk of conflict between trade disciplines and measures for natural resource conservation. The dispute was about an embargo by the United States on imports of tuna from Mexico caught with nets that led to the incidental killing of dolphins. What

set this dispute apart was the first-time consideration in the multilateral trading system of a measure that sought to protect a wildlife species that was not of commercial value. The GATT panel in this case ruled in favour of Mexico. Although the panel's report was not formally adopted, it triggered a controversy over the capacity of the multilateral trading system to accommodate legitimate environmental concerns.

That same year, members of the European Free Trade Association (EFTA), then comprising Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland, requested the Director-General of the GATT to convene, for the first time, the Group on Environmental Measures and International Trade (the so-called EMIT Group), which had been created two decades earlier. EFTA countries considered that a forum for a structured dialogue on trade-related environmental issues was important to ensure that the GATT would contribute meaningfully to the outcome of the Rio Earth Summit.

A key milestone in the global policy discourse on trade, the environment and development came in 1992, when world leaders gathered in Rio de Janeiro, Brazil for the Rio Earth Summit. In the final declaration, leaders formally acknowledged for the first time the contribution of trade and the multilateral trading system to sustainable development, as well as the importance of a multilateral approach when dealing with transboundary or global environment problems (Principle 12 of the Rio Declaration on Environment and Development).

The pronouncements made at Rio were part of the backdrop to the establishment of the World Trade Organization (WTO) a few years later and played a decisive role in the decision to mention explicitly the concept of sustainable development in the WTO's founding charter, the Marrakesh Agreement Establishing the WTO. The WTO provides the institutional framework for multilateral trade cooperation and opening of trade. By making a link between sustainable development and trade, WTO members recognized at the outset that



trade should be conducted with a view to achieving key public policy goals, including higher living standards, full employment, the sustainable use of the world's resources and environmental protection.

Furthermore, WTO ministers agreed in a separate 1994 Decision on Trade and Environment to set up a Committee on Trade and Environment (CTE). This effectively institutionalized the topic of trade and the environment in the WTO, and ensured that the new organization could make a meaningful contribution to the global discourse on this topic. The Committee has become a unique channel of communication between the multilateral trading system and CITES, which has been a permanent observer to the CTE since 1997.

### **The Committee on Trade and Environment has become a unique channel of communication between the multilateral trading system and CITES.**

Since CITES predates the concepts of sustainable development and use as articulated in global environmental summits and international agreements, there is no express mention in the Convention of sustainable development. Nevertheless, the broad contributions of CITES to achieving sustainable development and use result directly from the text of the Convention and the way it is applied. Its requirements that trade not be detrimental to the survival of the species concerned, and that species be maintained throughout their range at a level consistent with their role in the ecosystem, contribute directly to achieving sustainable consumption and production – one of the key elements of sustainable development. The Convention's requirements that traded specimens be lawfully obtained and that Parties take appropriate measures to enforce the Convention also contribute to these objectives, as do efforts under the Convention to combat illegal trade in wildlife.



Signing in April 1994 of the Marrakesh Agreement, which formally established the WTO.

In addition to the way in which the Convention is drafted, the mechanisms available in CITES and the decisions adopted by successive conferences of the Parties provide a practical framework that enables trade in wildlife specimens to contribute to sustainable development and use. As part of this framework, the Conference of the Parties adopted a resolution that recognized the benefits of trade in wildlife in the early 1990s, and in 2004 it acknowledged that “commercial trade may be beneficial to the conservation of species and ecosystems, and to the development of local people when carried out at levels that are not detrimental to the survival of the species in question”.

The result of the gradual convergence of CITES and the WTO around the principle of sustainable development over the past four decades has been well captured in the 2012 Rio+20 outcome document, *The Future We Want*. In it, heads of state and government recognized that CITES is an international agreement that stands at the intersection between trade, the environment and development, and noted that the multilateral trading system, embodied by the WTO, plays a critical role “in stimulating economic growth and development worldwide, thereby benefitting all countries at all stages of development as they advance towards sustainable development”.

## Accommodating environmental and trade considerations

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CITES is a multilateral environmental agreement that relies mostly on trade measures to achieve its goals. From the outset, it was clear that the Convention would have to work hand in hand with the system of multilateral trade that had been set up 25 years earlier under the WTO's predecessor, the General Agreement on Tariffs and Trade (GATT). Since 1948, the GATT has provided the rules for world trade and helped establish a strong and prosperous multilateral trading system that became more open through successive rounds of trade negotiations.

The founders of CITES were aware of the critical importance of avoiding conflicts between CITES and multilateral trade rules. For example, the delegation of Denmark to the 1973 plenipotentiary conference recognized that generally only a certain percentage of species, most often a very small percentage, is threatened with extinction on account of international trade. At the same time, quite a large and fully legitimate trade takes place in species that are not threatened with extinction. Therefore, the same delegation suggested that an export certificate, issued by the proper authority in the exporting country, could give a 'green light' for the passage of non-endangered species through the customs of an importing country. Such a 'green export certificate' could be a means to ensure that the Convention, while making sure that trade in endangered species is prohibited or strictly controlled, would not establish new non-tariff barriers to international trade. A concrete step taken to secure a balanced outcome in the text of the Convention was to seek direct input from the GATT Secretariat during the drafting stage in the 1960s.

The agreement that finally emerged from the Washington plenipotentiary conference is a multilateral agreement with well-crafted, clear and concise trade provisions. It relies on transparency and sound science to make decisions.

These institutional features fit well with the multilateral trading system, which consists of a set of carefully designed rules that seek to promote openness, non-discrimination, transparency and predictability in global trade relations, while providing scope for governments to pursue environmental and other vital welfare goals. In fact, there has not been any WTO dispute directly challenging a CITES trade measure.

### **There has not been any WTO dispute directly challenging a CITES trade measure.**

As early as the mid-1970s, GATT contracting parties submitted 'notifications' to inform their trading partners about their use of trade-related measures under CITES. Trade-related measures adopted under CITES were also referenced in the reviews of domestic trade policies conducted periodically under the multilateral trading system. These early references to CITES in GATT transparency exercises illustrate how, from an early stage, trade-related measures adopted to implement CITES quickly came to be seen as part of the ordinary landscape of measures considered in the day-to-day work of the GATT.

But it was not until several years later that CITES and the multilateral trading system began to cooperate more actively. As the concepts of sustainable development and use became an integral part of the global policy agenda, more emphasis was put on ensuring that trade, environment and development policies would work better together. The need to ensure coherence and mutual supportiveness across policy domains gradually permeated the functioning of CITES and the multilateral trading system, and served to anchor more in-depth forms of cooperation between the two organizations.

### **Key features of CITES**

CITES neither promotes nor wholly prohibits international trade in wildlife as a decision to engage in trade allowed by the Convention lies within the scope of state sovereignty. Rather, CITES subjects permissible international trade in specimens of selected species to certain controls depending on the classification of the species in various appendices. The three CITES Appendices afford differing levels of protection for listed species, depending primarily on the biological status of the species and whether it is



or may be affected by trade. The inclusion of a species in one of the Appendices results in the application of certain trade requirements or restrictions under the Convention, which are intended to ensure that the species does not become or remain subject to overexploitation (and possible extinction) through international trade. The Conference of the Parties, the supreme governing body of the Convention, takes decisions on the inclusion of, transfer between or deletion of a species in Appendices I and II. The Conference may also adopt annotations to certain species listings which specify the 'specimens' covered by the Convention.

CITES trade-related measures serve as the core regulatory system of the Convention; prevent opportunities for illegal or unsustainable trade; promote compliance with and enforcement of the Convention and facilitate action against non-compliance. Such measures, whether reflected in the Convention's text or decisions of its governing bodies, have been taken in an open, transparent, evidence-based and multilateral process and forum. They have been adopted with a view to promoting the conservation and sustainable use objectives of the Convention.

Appendix I to the Convention includes species that are threatened with extinction (i.e. endangered), which constitute about 3% of the approximately 35,000 species covered by the Convention. Examples include marine turtles, great apes, tigers, certain parrots, sawfishes and certain orchids. Trade in specimens of these species must be subject to particularly strict regulation in order not to endanger further their survival. Accordingly, the most restrictive CITES trade measure provided in the Convention is applied to such species – a general prohibition on international commercial trade in Appendix I specimens taken from the wild.

Non-commercial trade in wild-taken Appendix I specimens is allowed, but this requires an import permit (which serves as a sort of 'prior informed consent' to the anticipated export) and an export permit. These documents are granted by national Management Authorities on condition that the specimens were lawfully obtained and their trade will not be detrimental to the survival of the species.

Trade in Appendix I specimens which are bred in captivity or artificially propagated for commercial purposes present



a conservation risk that is lower than for wild-taken specimens. They are therefore treated like Appendix II specimens, whose trade is described in the paragraph below. In addition, the Conference of the Parties has recognized through relevant resolutions that 'ranching' (i.e. the removal of certain eggs from the wild, subsequent rearing in captivity and the return of certain newly laid eggs to the wild) as a management system for some species, such as crocodiles, has proven to be a 'safe' and robust form of sustainable utilization. These resolutions provide guidance on how Parties may propose the transfer of certain species from Appendix I to Appendix II for ranching.

Appendix II includes species which are not necessarily now threatened with extinction (i.e. non-endangered) but may become so, which constitute about 96% of the approximately 35,000 species covered by the Convention. Examples include most CITES-listed fish and timber species. Trade in specimens of such species is subject to strict regulation (as distinguished from the 'particularly strict' regulation for Appendix I specimens) in order to avoid utilization incompatible with their survival. Commercial or non-commercial trade can occur in Appendix II specimens that are taken from the wild (or bred in captivity or artificially propagated) on condition that such trade is legal, sustainable and traceable. An import permit is not required for trade in Appendix II specimens. Rather, the import of such specimens simply requires the prior presentation of an export permit or a re-export certificate.

Under CITES, national Scientific Authorities must determine that exports of CITES-listed species will not be detrimental to the survival of that species. The CITES *Strategic Vision: 2008-2020* contains general guidance related to sustainable use, including the recommendation to base non-detriment (or sustainability) findings on the best available scientific information. At its 16th meeting in 2013, the Conference of the Parties adopted a resolution containing specific guidance on how to make non-detriment findings.





Although the Convention does not specifically refer to quotas, it does require the Scientific Authority to advise the Management Authority if the grant of export permits for specimens of Appendix II listed species should be limited. Quotas can be used to maintain an Appendix II listed species throughout its range at a level consistent with its role in the ecosystems in which it occurs and well above the level at which that species might become eligible for inclusion in Appendix I.

Appendix III includes species which any Party identifies as being subject to regulations within its jurisdiction (for the purpose of preventing or restricting exploitation) and as needing the cooperation of other Parties in the control of trade. Such species constitute about 1% of the approximately 35,000 species covered by the Convention. Examples include several tree species, such as the Coco de Mer palm tree, the Dorcas gazelle and a sea cucumber species. Commercial or non-commercial trade can occur in Appendix III specimens taken from the wild (or bred in captivity or artificially propagated) on condition that such trade is legal and traceable. A non-detriment (or sustainability) finding is not required for trade in Appendix III specimens.

The traceability of CITES trade is ensured through a system of permits and certificates used to authorize, accompany and track a particular shipment. Some Parties have implemented electronic permitting systems, and a CITES e-permitting toolkit was developed to provide standard guidance to interested countries.

CITES Parties submit annual reports to the CITES Secretariat on their 'trade', which is defined as export, re-export, import and introduction from the sea (for specimens taken in the marine environment not under the jurisdiction of any state). These records are then incorporated into the CITES Trade Database which can be accessed and searched via the CITES website. Approximately one million permits and certificates are currently issued each year and the CITES trade database now contains over 15 million records of legal trade.

Before being traded, living specimens of Appendix I, Appendix II or Appendix III listed species must be so prepared and shipped as to minimize the risk of injury, damage to health or cruel treatment. This is one of the first times that animal welfare concerns have been recognized in an international convention. Guidance on the transport of live specimens is contained in a resolution of the Conference of the Parties which, *inter alia*, recommends use of the Live Animals and Perishable Cargo Regulations of the International Air Transport Association as well as the *CITES guidelines for the non-air transport of live wild animals and plants* in meeting the Convention's transport requirements.



CITES recognizes the right of Parties to adopt stricter domestic measures, which go beyond the Convention's provisions. Although the Convention is not subject to any general reservations, it allows Parties, at specified times, to enter specific reservations with regard to any species included in the CITES Appendices.

### **How WTO rules leave broad scope for natural resource conservation measures**

Under WTO rules, as confirmed by WTO jurisprudence, members can adopt trade-related measures aimed at protecting and conserving natural resources, subject to certain specified conditions. These measures are not necessarily discussed at the WTO. And those that come up for discussion are not necessarily raised as matters of contention, much less formal disputes; they are often included in WTO notifications and may be discussed among members in dedicated WTO committees. For example, a total of 37 notifications submitted during the 2011-2012 biennium refer to CITES as the basis for the notified measures.

The transparency generated by WTO notifications of CITES measures has been a highly effective tool to foster the harmonious relationship between CITES and the WTO. WTO notifications are central to ensuring as much certainty and predictability in trade relations as possible. Easy access to information about a particular measure that may affect trade gives traders a clearer view of their opportunities. In addition, WTO notifications allow members to discuss the measures in question, and to resolve or defuse trade concerns that may arise, avoiding a formal dispute.

However, certain measures taken to achieve environmental protection goals may, by their very nature, restrict trade. In

such instances, some basic trade rules, such as the non-discrimination obligation and the prohibition of quantitative restrictions, may be relevant. The Appellate Body in “Brazil – Retreaded Tyres” recognized that “tensions ... may exist between, on the one hand, international trade and, on the other hand, public health and environmental concerns”. This is why exceptions to such rules are particularly important in the trade and environment context.

### **WTO notifications of CITES measures have been a highly effective tool to foster the harmonious relationship between CITES and the WTO.**

In light of the jurisprudence to date, it is fair to say that WTO rules provide broad scope for environmental concerns, including the protection of wild plant and animal species, to be accommodated. GATT Article XX establishes the “general exceptions” to trade rules and has had an important role in accommodating environmental concerns in the multilateral trading system. If a particular measure is found to be inconsistent with a basic trade rule, it could still be justified under Article XX. These exceptions exist to ensure a balance between the right of members to take regulatory measures, including trade restrictions, to achieve legitimate policy goals (such as the conservation of natural resources) and the rights of other WTO members under basic trade rules.

GATT Article XX provides a number of specific instances in which WTO members may take measures that would otherwise be inconsistent with basic trade rules. The two exceptions that are particularly relevant to the conservation of plant or animal species relate to: (i) “measures necessary to protect human, animal or plant

life or health” (paragraph b); and (ii) “measures relating to the conservation of exhaustible natural resources, if such measures are made effective in conjunction with restrictions on domestic production or consumption” (paragraph g). WTO and GATT jurisprudence has identified several policy objectives as being covered by such paragraphs, including for example the protection and conservation of dolphins and the conservation of sea turtles.

In addition, the introductory paragraph of Article XX has been designed to prevent the misuse of trade-related measures. An environmental measure may not be “applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade”. These additional safeguards seek mainly to ensure that protectionism is not introduced through the back door.

The importance of CITES has been considered in a landmark WTO dispute regarding environmental protection: the “US – Shrimp” dispute. The dispute involved measures adopted by the United States to protect endangered marine turtles from being harmed and killed during shrimp fishing operations. Several important findings regarding conservation policies and their relationship with WTO rules were adopted by the Appellate Body. First, the Appellate Body accepted that a measure applied to sea turtles also living beyond the boundaries of the United States was covered by Article XX(g). The Appellate Body found that there was a sufficient nexus between the migratory and endangered marine populations involved and the United States’ measure for purposes of Article XX(g).

Additionally, the phrase “exhaustible natural resources” under Article XX(g) was interpreted broadly to include not only “mineral” or “non-living” resources, but also living species which may be susceptible to depletion, such as sea turtles. To support this interpretation, the Appellate Body noted, in the same case, that modern international conventions and declarations make frequent references to natural resources as embracing both living and non-living resources and that an interpreter should undertake an “evolutionary” rather than “static” approach to the term. Moreover, in order to demonstrate the exhaustible character of sea turtles, the Appellate Body noted that sea turtles were included in Appendix I of CITES which comprises species threatened with extinction.



## Maximizing opportunities for cooperation between CITES and the WTO

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As the concepts of sustainable development and use assumed greater prominence in the global policy agenda, CITES and the WTO have embarked on more active forms of cooperation, including targeted institutional and policy dialogues, and joint technical assistance and capacity building activities. This has allowed CITES and the WTO to contribute more effectively to worldwide efforts to manage successfully the relationship between trade, the environment and development.

In 1994, WTO ministers took an important step towards improved cooperation between the WTO and multilateral environmental agreements (MEAs) by deciding to set up the Committee on Trade and Environment (CTE) – a forum where, among other things, the WTO and MEAs can exchange information and discuss ways to cooperate better. Of the ten items in the CTE's regular work programme, two explicitly mention the WTO-MEA relationship. Item 1 covers the relationship between the rules of the multilateral trading system and trade measures contained in MEAs, while item 5 refers to the relationship between the dispute settlement mechanisms in the multilateral trading system and those found in MEAs.

CITES has enjoyed observer status in the CTE since 1997. The participation of CITES in the CTE was in line with an effectiveness review undertaken by CITES in 1996. The review contained a recommendation aimed at strengthening cooperation and coordination between CITES and the WTO. Subsequently, the *CITES Strategic Vision: 2000-2007* defined as one of its objectives “[t]o ensure continuing recognition and acceptance of CITES measures by GATT/WTO and to ensure the ‘mutual supportiveness’ of the decision-making processes between these bodies”. More recently, an objective of the *CITES Strategic Vision: 2008-2020* is that “cooperation with relevant international environmental, trade and development organizations is enhanced”.

The creation of a forum in the WTO with an explicit mandate to discuss the WTO-MEA relationship opened up new channels for two-way communication and cooperation between the WTO and CITES, and has been a key tool for promoting coherence between the two systems. The CTE has held a series of ad hoc ‘MEA Information Sessions’, which have offered an opportunity for the CITES Secretariat and 13 other MEA secretariats to engage in a sustained dialogue with CTE delegates on

the institutional aspects of the relationship between their respective agreements and the multilateral trading system. Since then, CITES and other MEAs have provided regular briefings to CTE members.

Past and current information exchanges between MEAs and the WTO are informed by background notes, communications and other documents prepared jointly or individually by the MEA and WTO secretariats. The CITES Secretariat has submitted to the CTE communications on several aspects of the relationship between CITES and the WTO. In addition, it has contributed to background papers on compliance and dispute settlement provisions in the WTO and MEAs, and on technical assistance, capacity-building and information exchange. For its part, the WTO Secretariat, in consultation with MEA secretariats, maintains a ‘matrix’ or compendium of trade-related measures in CITES and 13 other MEAs. For each MEA, the document also describes the non-compliance and dispute settlement mechanisms, the provisions relating to non-parties to the MEA, and measures to



support implementation, including those related to technology, finance and capacity-building.

The CTE has also been used as a forum to discuss specific policy issues at the intersection of trade and the environment. These exchanges have played an important role in helping the trade and environment policy communities improve their understanding of how policies in their respective ambits interact, with a view to exploring ways to ensure that they work well together. For example, recent discussions in the CTE on illegal logging and related trade have benefited from inputs by CITES, whose Secretary-General briefed CTE delegates in October 2014 on global cooperation initiatives to tackle this problem while ensuring that countries can benefit from legal, sustainable and traceable trade in wildlife.

**CITES and the WTO cooperate in offering technical assistance and capacity-building to government officials responsible for trade and environment matters.**

In the same vein, the WTO Secretariat has used the opportunity to hold 'side events' at meetings of the Conference of the Parties to CITES to help strengthen the understanding of the WTO among CITES officials,

provide updates on recent developments in the multilateral trading system, and to learn from the experience of CITES officials in managing the relationship between trade, wildlife conservation and development.

CITES and the WTO also cooperate in offering technical assistance and capacity-building to government officials responsible for trade and environment matters. This form of cooperation has proven particularly effective in raising awareness among them about the importance of national coordination and cooperation to ensure that trade and environment policies work together in full support of sustainable development.

WTO technical assistance activities on trade and the environment contain specific modules on the WTO-MEA relationship. Those modules regularly benefit from the participation of the CITES Secretariat or government officials responsible for CITES matters in capitals. They offer participants an opportunity to draw on the experiences and perspectives of the WTO and CITES and to develop a better understanding of how the WTO and MEAs interact with each other. Moreover, the complementary views by the WTO and CITES in technical assistance activities provide a solid basis for the participants to identify challenges and explore national experiences and best practices regarding coordination, transparency and accountability in the negotiation and implementation of MEAs containing trade measures, and in the design and implementation of such trade measures.

## Improving global governance for sustainable development

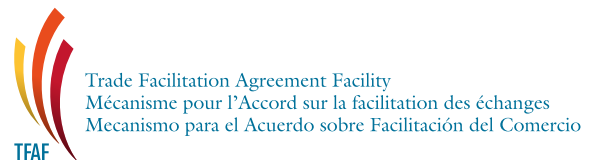
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As worldwide efforts to achieve sustainable development intensify, it is important to continue strengthening the relationship between CITES and the WTO. Under its *Strategic Vision*, CITES is working towards enhanced coherence and mutual supportiveness with multilateral instruments and processes dealing with trade, the environment and development. At the WTO, discussions on the relationship between the WTO and MEAs are part of the Doha round of multilateral trade negotiations. WTO members must consider both, “the relationship between existing WTO rules and specific trade obligations set out in MEAs” (paragraph 31(i) of the Doha ministerial declaration) and the “procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the criteria for the granting of observer status” (paragraph 31(ii)).

In these negotiations, WTO members have recognized that trade and environment regimes must be mutually supportive for them to play their full part in promoting sustainable development. A successful outcome to the negotiations would formalize existing cooperation between the WTO and MEA secretariats and establish additional means to avoid potential conflict between WTO and MEA rules, for example by strengthening national cooperation between trade and environment government agencies. Such a high level of cooperation is critically important not only when negotiating new MEAs but also when implementing existing ones. In this way, the negotiations on the WTO-MEAs relationship provide a unique opportunity to make progress on sustainable development by further improving the way in which the

multilateral trading system and CITES interact with and support one another.

The outcome of the multilateral trade and environment negotiations remains pending. Nonetheless, the successful conclusion of the WTO negotiations on trade facilitation and the subsequent adoption of the Trade Facilitation Agreement has opened up new opportunities for collaboration between the WTO and CITES. The Trade Facilitation Agreement will enter into force once two-thirds of WTO members have ratified it. To help WTO developing country members access the support they need to reap the benefits of the Agreement, the Director-General of the WTO launched the Trade Facilitation Agreement Facility in 2014.



In a nutshell, trade facilitation can be described as the modernization and simplification of trade procedures in order to move goods in cross-border trade more efficiently. Efforts in this area could help CITES strengthen its ability to contribute to the achievement of conservation and sustainable use outcomes that also deliver economic and social benefits. By acting as a catalyst for cooperation among customs, wildlife and trade officials at the national and international levels, work on trade facilitation can help minimize the incidence and complexity of formalities affecting legal trade in wildlife, strengthen the capacity to obtain real-time data on such trade, and make it easier to detect potentially illegal or unsustainable trade in wildlife.

**Work on trade facilitation can help minimize the incidence and complexity of formalities affecting legal trade in wildlife.**

More specifically, efforts on trade facilitation at the WTO can complement and add momentum to efforts by CITES Parties to ensure that, as far as possible, specimens pass through any formalities required for trade with a minimum of delay. Such efforts in CITES are currently



focused on putting in place electronic permit systems to trade in CITES specimens. These systems are more secure than paper-based permitting systems and will assist in preventing permit fraud. At the 13th meeting of the Conference of the Parties to CITES in 2004, several Parties expressed the view that the development of e-permits would assist in the handling and processing of applications for CITES permits and certificates, and the collation and dissemination of CITES trade information. Thereafter, at its 14th meeting in 2007, the Conference of the Parties to CITES revised the resolution on permits and certificates to include references to the use of electronic documents and signatures.

CITES has developed guidelines for the implementation of electronic permits which are available through the CITES e-permitting toolkit. The guidelines are included in the World Customs Organization 'data model,' a global standard on cross-border data exchange for the release

and clearance of goods through customs. The data model is often used in the development of 'Single Window' systems, which allow traders to submit all import, export, and transit information required by regulatory agencies via a single electronic gateway or window, instead of submitting the same information numerous times to different government entities for processing. The incorporation of CITES e-permit guidelines into the WCO data model makes it possible to include CITES e-permits in Single Window systems.

Trade facilitation is just one example of the many opportunities that lie ahead to build on the successful collaboration between CITES and the WTO during these past four decades. Such collaboration – and its continued evolution towards even greater mutual supportiveness – is as important as ever to assist countries in their collective efforts to tackle increasingly interconnected global challenges in a coherent and effective manner.

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