



## Regional Economic Integration Organizations: *their Role in Implementing CITES*

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**I**t is widely recognized that the world economy has experienced an unprecedented intensification of economic and financial integration since the latter part of the 20th century. The trend towards regional integration has been supported in many areas by regional policy initiatives, particularly in the field of trade and the result is a proliferation of regional agreements that vary widely in breadth and depth (European Central Bank, 2005). The benefits from pursuing such integration include increased supply and access to markets; the harmonization of transboundary issues such as trade, regulatory frameworks and policies, a regional infrastructure, and the management of shared natural resources (The World Bank, 2013).

Depending on the level of regional economic integration and trade facilitation, there is a need for a high level of formal organization and the establishment of institutional and legal frameworks to facilitate and regulate these arrangements. This paper focuses on three regional economic integration organizations (REIOs) and explores the challenges to management and regulation of the global wildlife trade, in particular in relation to species listed in the Appendices of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora). Collaborative regional action is critical if harmonized integration is to have the chance to succeed.

### INTRODUCTION

In the context of international efforts to regulate and manage wildlife trade, REIOs such as the European Union (EU) or the Eurasian Economic Community (EurAsEC) play an important role in regulating and managing international wildlife trade. According to Matthews

(2003), the classic schema of economic integration ranks integration arrangements according to the depth of integration achieved along a continuum, starting with a preferential trade area, and evolving through a free trade area, Customs union, common market, economic union, economic and monetary union to achieve a state of total economic integration. It is now common for international conventions and treaties to allow membership by REIOs. For example, the EU has been a Party to the Convention on Biological Diversity (CBD) since 1993. In response to the growing number of REIOs and an increasing level of regional integration processes globally, Parties to CITES took steps to reflect this changing geo-political and economic environment. As one of the earliest Multilateral Environmental Agreements—CITES has been in place since 1975—membership to the Convention was originally anticipated for States only. In 1983, the so-called Gaborone Amendment to CITES Article XXI, the Article which governs accession, was adopted in Gaborone, Botswana, aiming to allow REIOs to accede to the Convention. For the amendment to enter into force, two-thirds of the States party to the Convention at the time of its adoption had to accept it formally, which only took place in November 2013, 30 years after its adoption.

The entry into force of the Gaborone Amendment has drawn attention to the relevance of REIOs in the context of regulating international trade in wildlife. The aim of this article is to: i) demonstrate what REIOs would need to consider to play an enhanced role towards the regulation and management of international wildlife trade; ii) to review how some REIOs are addressing wildlife trade controls; and iii) to highlight the need for these organizations to co-operate and learn about the regulation of international wildlife trade from each other.

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Above: Fishing vessel leaving port, Kamchatka Oblast, Russian Federation. Photograph: Darren Jew / WWF-Canon



Developed in 2005 by the Belgian Federal Police, CITES Management Authority and Customs, and TRAFFIC, the European Union – Trade in Wildlife Information eXchange, EU-TWIX ([www.eutwix.org](http://www.eutwix.org)), is an enforcement tool developed for the exclusive use of European wildlife law enforcement officials. EU-TWIX is unique in that it brings together officers from all relevant law enforcement agencies responsible for combating wildlife crime in Europe, including Customs, police, border forces, environmental inspectorates, prosecutors and judges. In addition, international institutions such as the CITES Secretariat, the European Commission, Eurojust, Europol, Interpol, the United Nations Office on Drugs and Crime (UNODC) and the World Customs Organization (WCO) also have access. EU-TWIX comprises two main components: i) a mailing list; and ii) an access-secured database of seizures.

#### **The EU-TWIX mailing list**

Over 800 wildlife law enforcement officials from 35 European countries (the 28 EU Member States as well as some neighbouring countries) are connected on a daily basis, allowing the exchange of information in near real time. Types of information shared via the EU-TWIX mailing list include seizure details, such as the countries involved along the route and the *modus operandi* used, and relate to a variety of commodities. Thanks to information exchanged via EU-TWIX, several investigations have been triggered.

#### **The EU-TWIX database**

Being the only European-wide wildlife seizures database, EU-TWIX provides a unique opportunity for monitoring illegal wildlife trade trends at the national and regional levels. It currently holds over 40 000 seizure records from 28 European countries, with the majority of Customs data being transferred via the WCO. European enforcement authorities often carry out their own analyses of seizure information held in the database to assist their targeting and risk profiling.

## **Regional economic integration organizations (REIOs) and CITES**

The Gaborone Amendment defines REIOs as “organizations constituted by sovereign States which have competence in respect of the negotiation, conclusion and implementation of international agreements in matters transferred to them by their Member States and covered by this Convention” (CITES, 2013a). At the Conferences of the Parties (CoP) to CITES, REIOs would vote with a number of votes equal to the number of their Member States which are Parties to the Convention. However, REIOs cannot exercise their right to vote if their Member States exercise theirs, and vice versa. Furthermore, member States of some REIOs often prepare jointly for Conferences of the Parties and negotiate as a block. The existence of a common legal framework for the regulation of international trade in wild fauna and flora is also an essential characteristic of a REIO (CITES, 2013b).

Having common legislation in place for the entire REIO places a higher responsibility on the member countries: the common legislation has to be adequate and properly enforced as it affects CITES implementation in several countries, sometimes encompassing larger regions. Furthermore, REIO members preparing jointly and potentially negotiating as a block, require internal processes to be set up for the co-ordination of a regional position. The joint position of several countries and its external communication has a bigger potential to influence the decisions of other CITES Parties than single country positions, which also justifies the focus of this article. The examples of regional integration organizations provided below—although not all of them at present formally meet the requirements set out for a REIO in the Gaborone Amendment—aim to provide further evidence of why more attention to REIOs would need to be paid in the CITES context.

### ***European Union***

The EU—an important market for wild fauna and flora species, their products and derivatives—is likely to be the first REIO to join CITES in the near future. The EU has been fully implementing CITES since 1984, through a comprehensive set of regulations, the so-called EU Wildlife Trade Regulations (EU WTR), currently *Council Regulation (EC) No 338/97 on the protection of species of wild fauna and flora by regulating trade therein; Commission Regulation (EC) No 865/2006 (as amended) laying down detailed rules concerning the implementation of Council Regulation (EC) No 338/97, and Commission Implementing Regulation (EU) No 792/2012 laying down rules for the design of permits, certificates and other documents provided for in Council Regulation (EC) No 338/97 on the protection of species of wild fauna and flora by regulating the trade therein and amending Regulation (EC) No 865/2006*, which are directly applicable in all 28 EU Member States<sup>1</sup>. The establishment of the EU single market in 1993—allowing the free movement of goods within the EU and bringing about the abolishment of internal border controls—made it necessary for the EU to set up co-

HTTP://CREATIVECOMMONS.ORG/LICENSES/BY/3.0,  
VIA WIKIMEDIA COMMONS



Map showing European Union Member States.

ordination and co-operation mechanisms at all levels of CITES implementation and enforcement to ensure consistent application of the EU WTR across the Member States. The first level of co-ordination and information sharing—also required and regulated by EU law—takes place between the EU CITES Management Authorities through meetings of the so-called “Committee on Trade in Wild Fauna and Flora”. Similarly, EU Scientific Authorities regularly meet at the “Scientific Review Group” (SRG) just like enforcement authorities at the “Enforcement Group” meetings. In addition to the face-to-face meetings, there are mechanisms for information exchange inter-sessionally. Complementing mechanisms set by the EU WTR, other processes have also been established to assist the exchange of information; an example of this is the EU-TWIX system (see text box). There is great potential for the EU-TWIX system to be replicated in other regions of the world and/or to be adapted for other wildlife trade issues. For instance, EU-TWIX is currently being considered as a possible model for a tool to facilitate the exchange of information between competent authorities to support the implementation of the EU Timber Regulation, and there are plans to apply the EU-TWIX system’s experience to Central Africa to support countries exchanging information on wildlife trade, including related crimes.

Why has there been a need for such comprehensive co-ordination in the EU? As goods move freely within the EU, a mechanism has to be in place for informing other Member States if the export/import of a shipment of CITES-listed species has been denied to ensure that the same shipment cannot be granted entry/exit by way of another Member State. In a similar manner, any illegal wildlife shipment that enters the EU, can then be moved freely thereby potentially reaching and affecting any EU Member State.

<sup>1</sup>Member States of the EU: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK.

## Beyond the EU

There are other regional integration initiatives which are worthy of attention in this context. The recent and not-so-recent past has seen an increasing number and various forms of regional integration organizations established globally. Free Trade Agreements have been in place for instance in North America—the North American Free Trade Agreement (NAFTA), and Customs unions for instance in southern Africa—the Southern African Customs Union (SACU). Some of these integration organizations have also found it useful to establish formal mechanisms for co-operation on the enforcement of CITES, and thus have established wildlife trade enforcement networks, such as the Association of Southeast Asian Nations–Wildlife Enforcement Network (ASEAN-WEN). Similarly, member countries of NAFTA (Canada, Mexico and the USA) set up the North American Wildlife Enforcement Group (NAWEG) to co-operate on environmental matters, including on illegal wildlife trade and to formalize the exchange of information and training on wildlife law enforcement (Vaisman *et al.*, 2013). A first meeting of these and other such initiatives from Africa, Asia, Europe, the Americas and Oceania was hosted in Bangkok on 5 March 2013 in the margins of CITES CoP16 by the International Consortium on Combating Wildlife Crime (ICWC, 2013).

## Eurasian Economic Community

One of the more recent but quickly developing regional economic integration processes started in 2000 with the creation of the Eurasian Economic Community (EurAsEC) by Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan (Vaisman *et al.*, 2013). As part of this so-called multispeed integration process, the Eurasian Customs Union (ECU) was established by Belarus, Kazakhstan and Russia in 2007 and started to be implemented in 2010. The elimination of internal border controls between the three countries was made possible by the adoption of a common ECU Customs Code, replacing domestic legislation in the ECU member countries. In 2010, Kyrgyzstan stated its desire to join the ECU and its accession is expected to take place in the near future. The next step in the integration process was the creation of the Common Economic Space (CES) in January 2012. Work to allow it to function fully will begin in 2015, which is the planned start of the Eurasian Economic Union, implying an even greater level of integration (Vaisman *et al.*, 2013).

While formally the ECU is not meant to affect CITES implementation and enforcement in its member countries, according to the regulations in place, CITES-listed species are not covered by the ECU and should, in theory, not affect CITES implementation and enforcement in its member countries. However, with the removal of border controls, CITES-listed wildlife can be moved freely within the ECU (Vaisman *et al.*, 2013) and this will have implications for wildlife trade. To prevent this having negative impacts on the control of wildlife trade in the region, a highly organized and co-ordinated approach



ADAPTED BY WILLOW OUTHWAITE, TRAFFIC, FROM BASE MAP © THE IUCN RED LIST

**Map showing Eurasian Customs Union, comprising Belarus, Kazakhstan and Russia.** Kyrgyzstan (pale blue) is expected to accede in the near future.

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would need to be taken by ECU member countries. An absence of such consistency could result in the exploitation of the weakest link in the chain (e.g. illegal trade entering the ECU by way of the route with least risk of detection) or permit shopping (e.g. when wildlife traders are refused an import permit by one ECU member country, the shipment may enter the ECU by way of a permit granted by another member country), which poses a threat to both native and exotic wildlife traded by the ECU members.

When the integration process in the EU reached a similar level to that of the ECU (i.e. in the absence of systematic internal border controls), the EU decided to adopt the aforementioned comprehensive set of EU regulations so that the provisions of CITES would be implemented in all Member States uniformly and in a co-ordinated manner. While some sources clearly claim that EurAsEC adapted some of its common market approach from the EU (Eurasian Economic Center, undated), when it comes to regulation of trade in CITES-listed specimens, so far the authors are not aware of any signs for taking on the EU's or any other existing REIO's approaches or experiences.



HARTMUT JUNGIUS / WWF-CANON

**Kara Tau Mountains, Kazakhstan.**

## ASEAN

The Association of Southeast Asian Nations (ASEAN) was established in 1967 in Bangkok, Thailand<sup>2</sup>. At the 12th ASEAN Summit in January 2007, the Member States signed the Cebu Declaration, affirming their commitment to establish an ASEAN Community by 2015. To this end, the Member States agreed to hasten the establishment of the ASEAN Economic Community (AEC) by 2015, transforming ASEAN into a region characterized by the free movement of goods, services, investment, skilled labour and freer flow of capital, and requiring *inter alia* the removal of non-tariff barriers as well as trade facilitation measures such as the integration of Customs structures and procedures (ASEAN, 2009).

The AEC will create a single regional common market of more than 600 million persons. While full implementation of the AEC will be a long, step-wise process, ASEAN has already removed, at least on paper, Customs duties on most intra-ASEAN trade. ASEAN has formally adopted a Customs Code of Conduct, national and regional “Single Window” systems, the ASEAN Harmonized Tariff Nomenclatures and WTO’s mode of Customs valuation. “Framework” Agreements on the liberalization of trade in services, investments, goods-in-transit and multi-modal and inter-State transport have also been concluded.

The implications of future regional economic integration for CITES implementation and enforcement in the ASEAN region are yet to be fully elucidated. However, it will no doubt make possible increased mobility of illicit goods, including specimens of illegal fauna and flora, and opportunities for transnational organized crime to expand will arise if mitigating measures are not implemented.

Several ASEAN Member States have already given priority to upgrading cross-border infrastructure links which will also assist connectivity between the region and the two giants of economic development in the wider Asia region: China and India. These include the Singapore-Kunming Rail Link, as well as road networks that include the North-South Corridor from southern China through Myanmar, Thailand, Lao PDR to Viet Nam, the East-West Corridor linking Myanmar, Thailand, Lao PDR and Viet Nam; and the South-South corridor linking deep sea ports in Cambodia, Thailand and Myanmar (UNODC, 2013).

Organized criminal networks may take advantage of these improved transportation links and the simplified trade and Customs procedures along these routes envisaged under the AEC to smuggle illicit wildlife products throughout the region and beyond. The fact that some Member States share borders with China—ASEAN’s most important trading partner and a major destination for many wildlife commodities—will no doubt encourage such criminal networks to exploit any weaknesses and loopholes that may emerge from regional economic integration. Even within ASEAN, some individual Member States are already significant transit countries in the global dynamic for illicit ivory (CITES, 2013c) and destinations for rhinoceros horn (Milliken and Shaw, 2012).

<sup>2</sup>Member States of ASEAN: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.



TRAFFIC

Map showing ASEAN Member States.

ASEAN has in place regional policy initiatives and visions to enhance sustainable trade in wildlife and forest products and to address illicit trade (ASEAN, 2008). It has established an inclusive inter-governmental wildlife law enforcement network, bringing together law enforcement, Customs and environment-related agencies of all 10 ASEAN Member States to address illegal exploitation and trade in CITES-listed species within the ASEAN region. Launched on 1 December 2005, the ASEAN Wildlife Enforcement Network (ASEAN-WEN, [www.asean-wen.org](http://www.asean-wen.org)) facilitates cross-border collaboration in the fight against illegal wildlife trade, enabling countries to share information and best practices, while increasing capacity and improving co-ordination through annual meetings, workshops and trainings.



ELIZABETH JOHN / TRAFFIC

Seizure of ivory in transit through Port Klang, Malaysia (December 2012), shipped from the port of Lomé in Togo, bound for China.

ASEAN-WEN operates at the national and regional levels. Each country is expected to establish and sustain a national inter-agency task force comprising police, Customs and environmental officers, with focal points from each agency sharing information across the region. To improve the capacity of the network, law enforcement officers in national task forces receive training targeted at improving the effectiveness of sharing information and intelligence towards national, bilateral and multilateral law enforcement action to combat illegal wildlife trade.

ASEAN has also established an Experts Group on CITES (AEG-CITES) to deliberate on issues that will be tabled at meetings of CITES CoPs, such as proposals for amendments to its Appendices. It is therefore better prepared than before to address significant issues of implementation and enforcement of CITES that are relevant to ASEAN Member States and to take a common position where there is consensus.

ASEAN has also attempted to strengthen efforts to control transboundary trade in wild fauna and flora through the ASEAN Regional Action Plan on Trade in Wild Fauna and Flora, 2011–2015 and activities identified in the Strategic Plan of Action of ASEAN Cooperation in Forestry (2011–2015) FAO (2014). These include assisting Member States in adopting effective and enforceable legislation for CITES implementation through documentation of lessons learned and identifying common gaps and conflicts in CITES-enabling legislation and promoting the adoption of Category 1<sup>3</sup> CITES-enabling legislation. The Plan also promotes research, including monitoring and information exchange on CITES-related issues through the establishment of an information-sharing mechanism for CITES-listed species native to more than one Member State, with a particular focus on illegally traded species, and for the exchange of information on legal systems regarding wildlife trade management, and CITES permit and certificate issuance.

Frameworks are therefore in place for ASEAN to build mechanisms and structures that would eventually allow it to implement CITES as an REIO. However, implementation of these initiatives is weak in some Member States and a comprehensive and explicit regional agenda of reconciling trade and wildlife does not exist—there is no reference to wildlife and forest products in the ASEAN Economic Community Blueprint. Given the lessons of the EU, for example, it would seem to be essential to examine at the earliest opportunity the regulatory challenges posed by the step-wise implementation of the ASEAN Economic Community to safeguard the region from additional challenges to controlling trade in CITES-listed species. In addition, ASEAN initiatives at the regional level should be fully supported to allow wildlife trade considerations to be integrated into the broader regional trade agenda.

<sup>3</sup>Category 1: Resolution Conf. 8.4 (Rev. CoP15) on National laws for implementation of the Convention was initially adopted in 1992. It establishes the basis for a CITES National Legislation Project aimed at providing legislative assistance to Parties and preparing analyses of their legislation in relation to four requirements. Legislative analyses conducted under the National Legislation Project determine in which category the legislation of each Party and dependent territory should be placed. Category 1: legislation that is believed generally to meet the requirements for implementation of CITES (<http://www.cites.org/eng/notif/2012/E036.pdf>).

## CONCLUSIONS

REIOs usually involve trade facilitating arrangements, making them relevant for CITES, which also regulates international trade, in this case, wildlife. Some REIOs have considered the implications of their trade facilitation and other integration measures for CITES and their member States have accordingly adopted various measures/regulations to address these. However, while the EU appears to be the only REIO to date that has the legislation, structures and mechanisms in place to ensure that it has the “competence in respect of the negotiation, conclusion and implementation of international agreements in matters transferred to them by their Member States” (as required by the Gaborone amendment), the continuing emergence of REIOs that reach a high level of integration and trade facilitation is likely to increase the number of eligible organizations in coming years. It is evident that the increasing level of integration in some REIOs is likely to have implications for CITES implementation and enforcement in their region and would require the integration of wildlife management and trade regulation into these existing/emerging systems. However, there is little or no indication of any dialogue, information exchange or sharing of experiences between the emerging REIOs and those that are more established and have a longer history of engagement with CITES issues, such as the EU. Such exchange of experiences and practices between established and emerging REIOs could be mutually beneficial. The new REIOs could learn from the experiences and lessons learnt of these established systems, while the established systems could equally benefit from a fresh perspective and could potentially take on novel approaches to be developed by the new REIOs. The co-operation of REIOs could lead to continued information exchange between them that could greatly facilitate effective CITES implementation in the regions concerned. Therefore REIOs are encouraged to start dialogue, exchange information and experiences and in general to work together.

There is an immediate need for the mandated national CITES authorities in the ECU, ASEAN and possibly in other emerging REIOs to monitor the evolution of their regional integration organizations in order to understand their implications for CITES implementation and enforcement in the countries concerned. Ideally, any potential problems in CITES implementation as a result of increased regional integration should be identified in advance of problems arising and the countries concerned should be encouraged to address these (potential) issues in the spirit of their broader regional co-operation.



### ◀ TRAFFIC report:

*Wildlife Trade in the Eurasian Customs Union and in selected Central Asian countries.*

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