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Pro-poor conservation and CITES

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The Convention on International Trade in Endangered Species (CITES) is an agreement that aims to ensure that international trade in specimens of wild animals and plants does not threaten their survival. It currently has 166 Parties or members and is regarded as one of the most important legal international conservation instruments. CITES has proved proactive, unifying and successful. It encourages universal membership; prevents illegal trade or trans-shipment through non-Parties; promotes compliance with and enforcement of the requirements stated in the Convention; and facilitates action against non-compliance.

CITES aims to regulate trade through three Appendices, which denote the severity of the threat from international trade to wild populations. Appendix I prohibits trade except in exceptional circumstances. Appendix II permits controlled commercial international trade in species. Appendix III includes species that require protection within a member country.

The value of annual trade in wildlife is estimated at $200bn and growing. The precise contribution by individual species is difficult to estimate owing to illegal trades and poor economic information along the trade chain.

To date, CITES has relied largely on a classic regulatory approach, and debate continues over its effectiveness. Criticism includes its narrow trade-based perspective on species loss; that the main cause of species depletion is excessive demand and that trade measures will reduce demand. This perspective misses the importance of globalisation, urbanisation, land-use change, climate change and other human behaviour in determining and preventing species depletion.

There have been notable successes in terms of impact on the conservation status of the species, including crocodilians and vicuna. For many species listed in the CITES Appendices however, there are serious concerns about the viability of wild populations. In some cases declining populations are a function of local level issues such as habitat loss, subsistence use and unsustainable local trade. For other species the impact of these local variables is exacerbated by international demand.

The regulation of trade in some species has been complicated by the development of *ex situ* intensive production systems. This can reduce incentives for maintenance and management of *in situ* populations, but equally *ex situ* production systems can play an important role in meeting global demand for a species or a derivative. The problem for regulators is to determine how legal trade from intensive production systems will affect wild populations under different forms of tenure and management.

CITES' 'Strategic Vision Through 2005' acknowledges the pressures of human populations and their development needs in developing countries, emphasising that for trade to be responsible, social and economic incentives are needed. One way in which CITES is seeking to deliver on this Vision is through expanding its perspective to include economic approaches to pro-poor conservation, including investigating the use of Economic Incentives (EIs) for commercially-valuable species.

EIs are part of a long-term strategy aiming to ensure that conservation is a natural economic outcome. EIs are a widely-used tool in commercial wildlife management and not a panacea for conservation. They work best as part of an integrated approach to conservation matching the incentives of humans with the needs of wildlife. EIs highlight some key issues for CITES to consider:

- Not all species can generate an economic process
- Developing countries have other priorities and without conspicuous economic incentives accord a low priority to CITES implementation, enforcement and compliance
- Resource managers are not easily categorised, solutions will require different mixes incentives to activate conservation
- Useful economic information for threatened species is often missing

KEY CHALLENGES:

- **CITES has principally dealt with only a very limited component of the problem of species loss; it needs to recognise why people use and trade in species to better serve its objectives**
- **To better guide CITES decisions, implementation, enforcement and compliance, economic information should be routinely collected and local resource managers trained in the use of this new information**
- **Owing to incomplete information, management of complex biological and economic systems should be guided by the principles of adaptive management**
- **CITES needs to develop integrated policies that incorporate the best elements of both incentives and enforcement based on reliable biological information**

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- Successful EIs result from a long process of trial-and-error as economic principles mesh with specific local conditions

EIs are attractive for CITES-listed species owing to the need for a flexible approach to ensure local conditions are adequately reflected in management.

The role of incentives in resource management

CITES was not designed to deal with local dimensions of implementation, enforcement and compliance, which are issues for its members to undertake. For CITES-listed species, local resource managers include governments, communities and private individuals covering all wealth categories. At best, they respond to changes in the economic incentives facing them when taking decisions over current and future harvest and assessing risks to local wildlife populations.

CITES decisions require appropriate local support from legal, social and political frameworks to influence resource managers to promote conservation of target wildlife species. Experience shows that a critical factor for ensuring healthy populations is secure and clear resource tenure at the local level. In Namibia, where local rights over wildlife utilisation are enshrined in communal conservancy legislation black rhinoceros populations are being successfully conserved.

Sustainable utilisation has much to commend it as a conservation tool aligned with CITES decisions and objectives. It creates revenues for implementation and enforcement through tourism, regulated wildlife trade or subsistence harvests. And it creates incentives for compliance by applying those funds to the appropriate resource managers.

CITES acts at the global level, but incentives need to be effective locally. Economic solutions rely on these local incentives providing the correct signals to resource managers. Yet, incentives facing resource managers are often far from perfect and can generate outcomes in conflict with pro-poor conservation. Signals from consumers can be misinterpreted by resource managers or altered along the supply chain. Plus, parallel – or illegal – markets deprive resource managers of the full economic incentives for conservation.

Progressively greater involvement of CITES in issues relating to management of the species within range states is bringing developing country needs into sharper focus, and promoting pro-poor solutions. Yet, genuine advances will require better intelligence on the economic framework underpinning successful strategies for conservation.

Information

Information used to clarify and propose a species listing on CITES Appendices has traditionally been biological and trade trend data depicting depleting populations. Responses to new CITES regulations include rearranged costs and benefits among industry participants and re-orientated law-enforcement effort. In order to direct these responses in ways that unreservedly favour conservation, baseline economic information is ideally required.

Inadequate economic information means CITES decisions and implementation and enforcement dimensions are based chiefly on biological information. Beyond international trade trends, economic information is often unavailable or incomplete because it is:

- Not collected
- Not considered priority data
- Missing crucial factors such as product quality
- 'Hidden' owing to illegal trade

Tackling complex problems with incomplete information requires a flexible framework. Adaptive management is preferable under these conditions, and has proved successful in achieving pro-poor conservation outcomes because:

- it enables a flexible approach to localised conditions
- it can be applied at different scales (local, regional, national or international)

Recent analysis indicates that some commercially-valued species have peculiar economic characteristics. For instance, when prices increase for some sturgeon products, sale volumes also increase. This helps to explain the persistence of demand for some species under CITES trade bans, but it complicates our thinking about which trade measures are appropriate for all species. Market and trade chain analysis together with strong biological data are therefore important to understand where sustainable use can be appropriate.

Equally, it is important to understand when and how innovative solutions have proved successful and when their general principles might be appropriate for other species.

Proposed solutions

There needs to be greater consideration of the significance of the various causes of wildlife loss, particularly a better understanding of the linkages between trade and use patterns, and habitat changes owing to other human activity. Solutions should build on the positives of trade and use, while aiming to mitigate the costs.

It is sensible if not necessary for economic information to be collected and analysed as a component of CITES decision-making, review and analysis. Economic information can be a powerful tool when coupled with biological information, adding weight to arguments for pro-poor conservation. We believe that an integrated approach offers a positive pathway for CITES.

EIs hold considerable promise for CITES-listed and scarce species. EIs are cost efficient, locally-relevant, easily monitored and proving their use for a number of wild species. It is noted that the use of EIs is the prerogative of CITES members.

Economic analysis of demand-side pressures that generate incentives for production is needed, including the nature of legal and illegal demand, cost-benefit analysis and the structure of the trade chain. There is a need to investigate creative approaches to demand-side pressures, such as certification, labelling and awareness raising. Specifically, better evidence and analysis of the replicability of such solutions.

Economic analysis and EIs generate subsequent economic information with which to inform thinking and guide design of policy and practice. However, EIs are not a panacea and will simply not work without proper and rigorous design and appropriate administrative back-up.

Economic approaches often purport to be costless endeavours. While there is much to commend them, capacity building of staff in the relevant agencies might be cost-effective in the long-term, but will require help from the international community in the short- to medium-term.

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