

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



Sixty-first meeting of the Standing Committee
Geneva (Switzerland), 15-19 August 2011

Interpretation and implementation of the Convention

Species trade and conservation

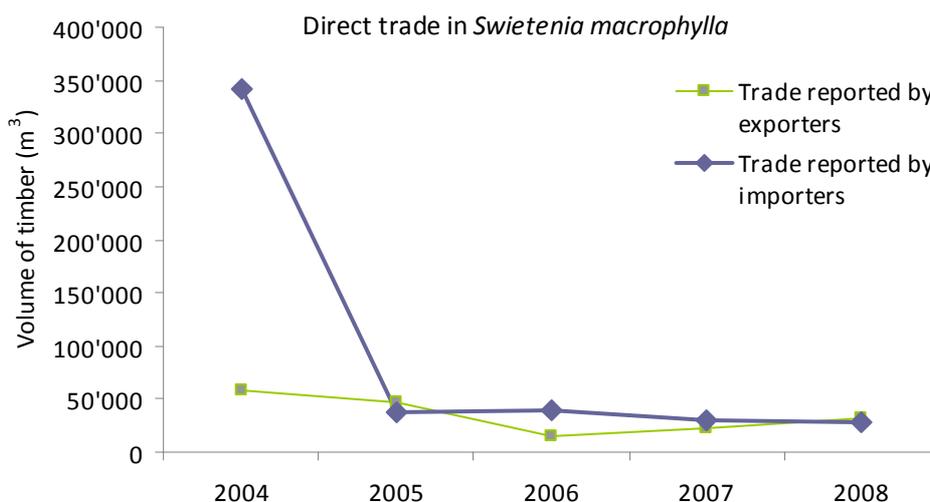
Bigleaf mahogany

OVERVIEW

1. This document has been prepared by the Secretariat. It may be read in conjunction with document SC61 Doc. 50.2 (*Management of Bigleaf Mahogany in Peru*).

Background

2. All populations of bigleaf mahogany (*Swietenia macrophylla*) in the Americas were listed in Appendix III by Costa Rica in 1995. Bolivia, Brazil and Mexico listed the species in Appendix III in 1998. Colombia and Peru listed the species in Appendix III in 2001.
3. At its 12th meeting (Santiago, 2002), the Conference of the Parties agreed to include neotropical populations of bigleaf mahogany in Appendix II to the Convention. The Conference also agreed to delay the application of the listing for twelve months after the end of CoP12, that is, until 15 November 2003. Thereafter, the exports of bigleaf mahogany decreased significantly as shown in Figure 1 below, which has been prepared by UNEP-WCMC for the CITES Secretariat using data from the CITES Trade Database. Other graphics provided later in this document were prepared in a similar fashion.



4. In May 2004, the Secretariat participated in an ITTO workshop on bigleaf mahogany held in Peru. At that time, the Secretariat became concerned about “problems of organized crime associated with illegal logging in and smuggling of mahogany from Brazil, Bolivia and Peru” and information indicating that the “majority of fraud is committed before the timber arrives at ports of export”. The Secretariat later reported these concerns to the 15th meeting of the Plants Committee (PC15, Geneva, May 2005), as reflected in the PC15 summary record. The Secretariat stressed that “particularly Peru urgently needed international

support to combat this illegal trade effectively and that all range States were in great need of improved mahogany management capacity". It also reported that "the European Union had sent a mission to Peru in 2005 to investigate the situation, and that its Scientific Review Group had given a positive opinion concerning imports into the EU from Peru on the understanding that the country would put an export quota in place by June 2005".

5. In April 2005, the Chair of the Plants Committee, the Scientific Authority of Spain and the Secretariat undertook a mission to Peru. The following month, at PC15, the Chair of the Plants Committee "expressed grave concern over the current trade in *Swietenia macrophylla*". One of the decisions taken at PC15 was to recommend that the Conference of the Parties identify the Plants Committee as the body under which the Bigleaf Mahogany Working Group would continue its work. This was done through the adoption of Decision 14.145 and an associated Action Plan for the Control of International Trade in Bigleaf Mahogany (*Swietenia macrophylla*) at the 14th meeting of the Conference of the Parties (The Hague, 2007).
6. Concerns about trade in bigleaf mahogany, particularly from Peru, were raised at the 54th meeting of the Standing Committee (SC54, Geneva, October 2006) in a discussion document prepared by the Secretariat (document SC54 Doc. 31.1). The Secretariat's concerns stemmed from its April 2005 mission, discussions at PC15, a subsequent Secretariat mission to Peru in June 2006 and "allegations it had received that government officials were unable to make non-detriment or legal acquisition findings in relation to trade in bigleaf mahogany". In view of the findings of the June 2006 mission, the Secretariat suggested that "the Standing Committee recommend that, until further notice, Parties not authorize the import of specimens of bigleaf mahogany from Peru". It also suggested that the Committee "encourage relevant governments and organizations to assist Peru in developing its capacity, especially since the necessary activities could act as a model for other range States". While introducing the document in the Standing Committee, the Secretariat withdrew its recommendation of a trade suspension. Peru "emphasized its commitment to fully implement the provisions of the Convention with respect to bigleaf mahogany and its intention to develop a plan of action in this regard. The Standing Committee noted the initiative from Peru and requested the Secretariat to visit Peru in order to review progress, and to report at its next meeting. The Secretariat's mission to Peru was undertaken in March 2007.
7. Following discussions on a comprehensive discussion document on bigleaf mahogany, which the Secretariat submitted at the 55th meeting of the Standing Committee (SC55, Geneva, June 2007), the Committee began working with Peru to achieve better management of its conservation and trade through a set of targeted recommendations that were mutually agreed between them and regularly monitored by the Committee. This process of engagement has been quite innovative and successful in a number of ways and provides a rich trove of lessons learned that might be applied to other range States of bigleaf mahogany and to the conservation of and trade in other CITES-listed timber species.

SC57 Recommendations 5 and 7 to all countries involved in the export, import and re-export of mahogany

8. At the 57th meeting of the Standing Committee (SC57, Geneva, July 2008), the Secretariat noted that the conservation of and trade in bigleaf mahogany were issues that did not only affect Peru and that all countries involved in the export, import and re-export of bigleaf mahogany either were or should be making efforts to ensure that such trade was legal, sustainable and traceable. The Secretariat suggested that the Standing Committee should also consider the conservation of and trade in other timber species.
9. Among the recommendations on bigleaf mahogany adopted at SC57, which had been proposed by an in-session working group established by the Standing Committee, were two directed at exporting and importing States, respectively. Recommendation 5 read as follows:

As a positive step toward demonstrating implementation of the Convention, the Committee suggested that all Parties exporting mahogany consider including information on the authorized and verified concessions or other forest management areas where the timber was harvested on their CITES permits in box 5 and annexes.

Recommendation 7 read as follows:

To further enhance monitoring this trade, the Committee recommended that importers of mahogany from Peru should also report regularly, to Peru and to the Secretariat, on their imports of mahogany, including the CITES permit number, volume and quota year.

10. At its 58th meeting (Geneva, July 2009), the Standing Committee agreed:

On behalf of the Standing Committee, the Secretariat should send a letter to mahogany range States advising them of Recommendation 5 (i.e. the inclusion of information on authorized and verified concessions in their export permits) and urging them to implement it.

The Standing Committee should advise countries, other than the US, - which import mahogany from Peru – of Recommendation 7 and urge them to implement it.

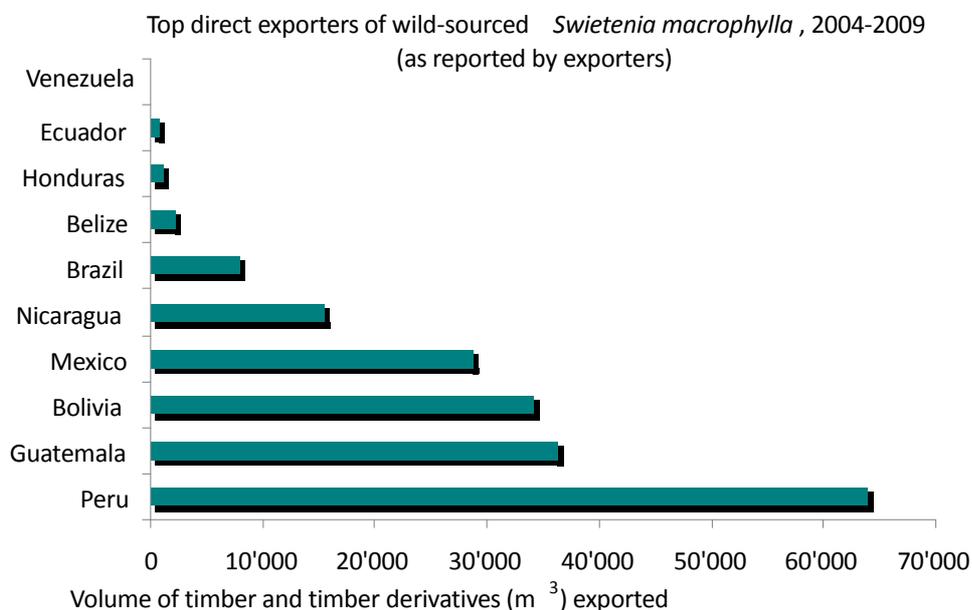
11. During the first half of 2010, the Secretariat sent letters on behalf of the Standing Committee to bigleaf mahogany range States other than Peru (see paragraph 14 below) and countries that import bigleaf mahogany from Peru other than the United States (see paragraph 21 below). In those letters, the Secretariat asked range States to respond to Recommendation 5 and importing States to respond to the Recommendation 7. The Secretariat explained that any responses received would be shared with the Standing Committee at the present meeting.

12. The summary record of the 59th meeting of the Standing Committee (SC59, Geneva, March 2010) reflects that:

Peru felt that the focus on its mahogany trade was unfair as other range States also had CITES implementation problems and higher volumes of mahogany trade. The Secretariat agreed that the Standing Committee should be looking at mahogany trade in other range States as well. The Committee had taken a step in that direction by asking range States to use Box 5 in CITES documents for mahogany exports to indicate the approved concession or area – as Peru had done.

13. Following SC59, the United States of America continued to regularly provide Peru with reports on their imports of bigleaf mahogany from Peru (e.g. Peru permit number, issue date, export date, volume, quota figures, total number of shipments and total volume of wood exported) . To assist Peru with its monitoring of Spanish cedar (*Cedrela odorata*) exports, the United States has regularly advised Peru of the amount of Spanish cedar that they imported during a particular period.

Mahogany range States other than Peru



14. On behalf of the Standing Committee, the Secretariat sought responses to Recommendation 5 from the following bigleaf mahogany range States: Belize, the Bolivarian Republic of Venezuela, Bolivia, Brazil, Colombia, Costa Rica, Dominica, Ecuador, El Salvador, France (French Guiana, Guadeloupe), Guatemala, Guyana, Honduras, México, Nicaragua and Panama. Figure 2 above (prepared with data from the CITES Trade Database) shows the volume of bigleaf mahogany exported by certain range States during the

period 2004-2009. Information about bigleaf mahogany trade in 2010, collected by the United States, is provided in paragraph 19 below.

Bolivarian Republic of Venezuela

15. In its response, the Bolivarian Republic of Venezuela stated that it had not issued export permits for bigleaf mahogany since the adoption of a 2006 Resolution which prohibited exploitation and other types of interventions related to bigleaf mahogany. It said that it would take account of Recommendation 5 if, exceptionally, any permit was issued for bigleaf mahogany.

Brazil

16. Brazil noted the importance of Recommendation 5 and advised that it already provides information on the origin of timber in the field "Special Conditions" on CITES documents which it issues. Moreover, it has a system of forest origin documents which enabled Brazil to monitor the entire chain of custody for forest products until their final destination.

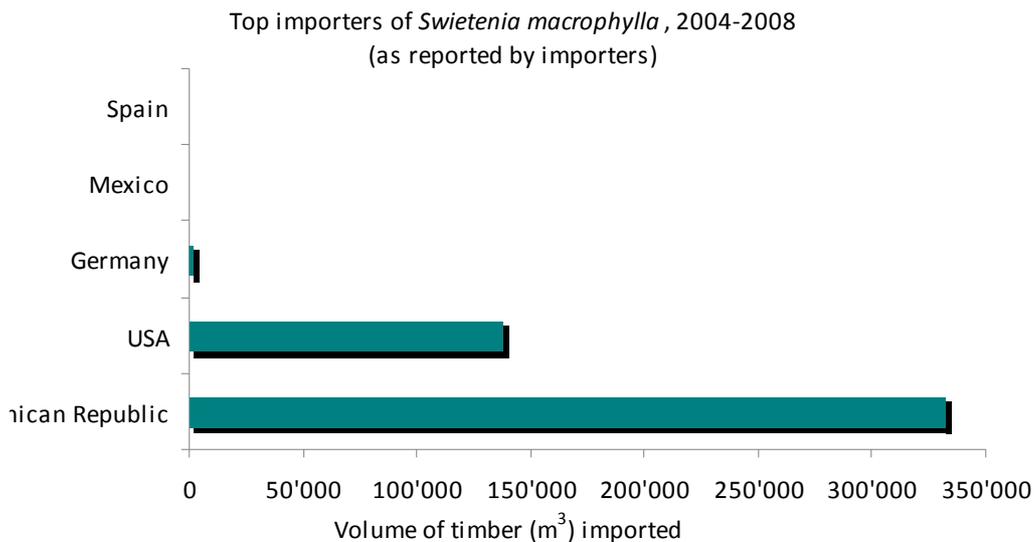
Colombia

17. Colombia explained that, although it is a range State for bigleaf mahogany, it does not have large areas of distribution of the species. Some regional environment authorities within Colombia had therefore prohibited any approval of its harvest, which consequently restricted trade in the species.

France

18. France explained that it had not exported *Swietenia macrophylla* since 2004 and said that it would share the Secretariat's letter with relevant local authorities involved with permit issuance. France advised the Secretariat that the French common name 'acajou des Antilles' was equivalent to *Swietenia mahagoni* rather than *S. macrophylla*.
19. Other bigleaf mahogany range States did not respond to the letter sent by the Secretariat. Nevertheless, information provided to the Secretariat in by the United States of America indicates that they imported bigleaf mahogany from 11 range States during the period 1996-2010. There were zero imports from certain range States in various years. In 2010, bigleaf mahogany imports from Guatemala, Bolivia and Mexico exceeded imports from Peru.

Mahogany importing States other than the United States of America



20. On behalf of the Standing Committee, the Secretariat sought responses to Recommendation 7 from the following mahogany importing States: Dominican Republic, México and Member States of the European Union. Figure 3 above (prepared with data from the CITES Trade Database) shows the volume of bigleaf mahogany imported by certain States during the period 2004-2008.

Mexico

21. In its response, Mexico noted that it had imported a low volume of mahogany from Peru during the period July 2008 to August 2010 and provided details of the relevant dates, permit numbers, product description and quantity.

European Commission

22. The European Commission advised that it had sent a note to the Management Authorities of Member States asking them to send information on import of bigleaf mahogany from Peru and suggesting that the Commission would thereafter compile such information and send it to the Secretariat. A few months later, the European Commission wrote again to the Secretariat to advise that only Spain had reported trade in bigleaf mahogany from Peru during the years 2008-2010. The Commission also provided the Peru permit numbers, issue date, export date, volume and quota figures that had been submitted by Spain.

Dominican Republic

23. The Dominican Republic did not respond to the letter sent to it by the Secretariat but, as shown by the graphic above, it is a major importer of bigleaf mahogany.
24. Although Mexico expressed a willingness to provide information about its bigleaf mahogany imports on a more regular basis and although the Member States of the European Union might also be willing to do this, the Secretariat recognizes the potential reporting burden that could result. Work in other areas of the Convention, such as the pilot project on electronic permitting between Switzerland and the United Kingdom, might be useful for identifying ways in which data between importing and exporting countries could be more shared more regularly without creating too much burden.

Other activities relevant to the conservation of and trade in bigleaf mahogany

25. Bigleaf mahogany is one of the CITES-listed timber species which was targeted under the International Tropical Timber Organization (ITTO) – CITES programme on *Ensuring that international trade in CITES-listed timber species is consistent with their sustainable management and conservation*. The programme ran from 2006 through 2010 and was funded primarily by the European Commission, with additional financial support provided by the United States, Japan, Norway, Germany, Switzerland and New Zealand. A project proposal for a second phase of the programme has been submitted to donors for consideration.
26. Decision 15.35, adopted at the 15th meeting of the Conference of the Parties (CoP15, Doha, 2010), provides that:

The Secretariat shall commission a trade study, subject to available funding, to be conducted by an external consultant in cooperation with the International Tropical Timber Organization, to review the trade in timber species listed in Appendices II and III to determine the types of specimens that initially appear in international trade or are exported from range States and regarding those which dominate the trade in and demand for the wild resource. Once the specimens that meet these criteria have been determined, the study should also determine which six-digit universal HS codes and associated definitions are applicable to these specimens. The Secretariat shall provide the results of this study to the Plants Committee.

The United States of America has pledged USD 15,000 for the study and the Secretariat has identified additional funds for the study through the European Commission's support for implementation of CoP15 decisions. The ITTO Secretariat has also indicated that it may be able to provide some funds for the study. A draft trade study for *Cedrela odorata* is currently being reviewed by ITTO and the Secretariat and the experience gained with its production should assist the Secretariat in implementing Decision 15.35.

27. The CITES and ITTO Secretariats are co-funding the production of a compendium on timber tracking technologies. This compendium will review the main semi-electronic and electronic timber tracking systems currently in use in the global forest sector, including log and finished-product tracking systems. The report will develop at least five case studies on timber tracking systems or timber tracking trials, including at least one from each tropical region. It should include all technical details or requirements of each system and an assessment of the perceived strengths and weaknesses of different timber tracking technologies. It should also provide the associated costs and cost estimates for timber tracking systems so far as commercial confidentiality allows as well as up-to-date contact details for the supplier(s) of each system service

provider (for commercially available systems). The final version of the compendium should be available at the end of 2011 and the Secretariat hopes that will find it a useful tool for helping them to strengthen the chain of custody for timber and timber products.

Conclusions

28. The Standing Committee may wish to take the opportunity of 2011 being the International Year of Forests to reflect on the lessons learned from its work to date on bigleaf mahogany and how it might best assist exporting and importing countries in the future with the conservation of and trade in CITES-listed timber species such as bigleaf mahogany.
29. Useful, and often, innovative approaches and techniques that have been part of the work on bigleaf mahogany thus far, include:
- government-to-government cooperation among range States and between importing and exporting countries (i.e. through the Bigleaf Mahogany Working Group of the Plants Committee,
 - the ITTO-CITES programme
 - in-country visits;
 - a specific reference to CITES in the forest chapter of the United States-Peru Trade Promotion Agreement;
 - emphasis on elements of forest governance, including policy, legislation, institutions, information and knowledge management, quota setting and management, traceability, chain of custody or timber tracking systems as well as other compliance monitoring tools;
 - voluntary certification schemes;
 - cooperation with and among law enforcement authorities;
 - harmonization of forest and CITES legislation and institutions;
 - recommended action points that are mutually agreed between a Party and the Standing Committee coupled with regular monitoring of their implementation by the Standing Committee;
 - a step-by-step approach to the improvement of mahogany management capacity at the national level;
 - an operational and results-based focus;
 - the establishment of workable and comprehensive verification processes at national level;
 - consultation with the private sector, indigenous and local communities, non-governmental organizations and other stakeholders; and
 - complementary work by the Plants and Standing Committees.
30. Another approach or technique that might be better explored in the future is how the burden of proof could be reversed in relation to the verification of legal origin, perhaps through a requirement that the private sector provide written declarations, under penalty of perjury, for certain activities related to mahogany harvest and trade.

Recommendation

31. Peru's experience, the Standing Committee's adoption of Recommendation 5 and the Brazilian response described in paragraph 16 above indicate that there is value in using box 5 of CITES permits to reflect information on the authorized and verified concessions or other forest management areas where the timber was harvested. The Secretariat therefore recommends that the Standing Committee consider the merits of incorporating Recommendation 5 into Resolution Conf. 12.3 (Rev. CoP15) on *Permits and certificates* or another appropriate Resolution.

32. The Secretariat also recommends that the Standing Committee identify areas of work under the Convention (e.g. electronic permitting) which might offer means for improving the regular exchange of information between importing and exporting countries, as envisaged under Recommendation 7.
33. The Secretariat further recommends that the Standing Committee (i.e. perhaps through a draft decision proposed for consideration at CoP16) undertake a comparative study about the lessons that have been learned to date in relation to bigleaf mahogany (e.g. regarding policy, legislation, alignment of forestry and CITES legislation, quota setting and management, harvest measures, information and knowledge management, particularly timber tracking system, mechanisms for clarifying institutional roles and enhancing institutional coordination, on-site verification of timber operations, etc.) and how those lessons might be used to assist range States of bigleaf mahogany or other CITES-listed timber species.
34. The Secretariat recommends as well that the Standing Committee consider whether the results of any study on the lessons learned with bigleaf mahogany might be incorporated into any second phase of the ITTO-CITES programme or other relevant activities under the Convention.