

ANNOTATION #9 AND THE GUIDING PRINCIPLES FOR ANNOTATIONS
RELATING TO MEDICINAL PLANTS

1. This document has been prepared by the Management Authority of Switzerland.

Background of annotation #9

2. Proposal CoP13 Prop. 37 to include *Hoodia* spp. in Appendix II, was submitted by Botswana, Namibia and South Africa, with the following annotation:

Designates all parts and derivatives except those bearing the label "Produced from Hoodia spp. material obtained through controlled harvesting and production in collaboration with the CITES Management Authorities of Botswana/Namibia/South Africa under agreement no. BW/NA/ZA xxxxxx".

3. With notification No. 2004/048, the Secretariat published a provisional assessment. There was concern about the fact that finished pharmaceutical products made from plants artificially propagated outside the three proponent countries would be subject to the provisions of the Convention, even though the proponents state that „such products present complications for enforcement and have traditionally been exempt for medicinal plant species included in Appendix II“, whereas the vast bulk of trade in *Hoodia* spp. would take place outside CITES controls, thus perhaps defeating the object of including the genus in the Appendices.
4. In document CoP13 Doc. 60 (p. 66) Switzerland highlighted the fact that the listing with the proposed annotation would subject trade in ornamental plants, which are produced in great numbers outside the range States and in a way that is fully independent from natural populations, to CITES controls, whereas most of the exports of wild-collected material from range States would probably be exempted. Switzerland also mentioned that a working group of the Plants Committee was checking annotations of medicinal plants for their effectiveness and that this WG drafted guiding principles to be submitted to CoP13. One element of these draft guiding principles was that finished pharmaceutical products should be exempted from CITES and the proposal was in contradiction to this.
5. In the same document (p. 65-66) Namibia explained that there was the intention to restrict exports under the label, i.e. outside CITES, to finished commodities and that unprocessed material shall not be exported this way. This was in order to motivate pharmaceutical companies to process the material within range States and to provide for better value addition within such States.
6. The Secretariat concluded (p. 67) that the harvest of *Hoodia* spp. for international trade may have a detrimental impact. However, the proposed label could potentially exempt most of the exports from range States from CITES controls, which would frustrate the process in this instance. The Secretariat recommended to reject the proposal.
7. At CoP13 discussion focused on the proposed annotation. A drafting group was established to consider the matter further. This working group was unable however to revise the annotation in a manner that did not result in expansion of the proposal's scope. The proposal was therefore re-presented in its original form, with an undertaking to submit a revised annotation to CoP14, if the proposal were accepted. The proposal was adopted following a vote of 49 in favour, 10 against and 42 abstentions. The high number of abstentions was interpreted by observers to reflect confusion and/or concerns regarding the annotation rather than the listing of the genus within Appendix II. The Secretariat introduced #9 for the annotation of *Hoodia* spp., when decisions of CoP13 were notified (Notification 2004/079, 19/11/04).

Guiding principles for annotations relating to medicinal plants

8. At CoP12 it was decided that the Plants Committee shall consider annotations relating to medicinal plants. At its 14th meeting, the PC recommended that two main principles be followed as standard guidance when drafting future #-annotations for medicinal plants in CITES. At CoP13, these guiding principles were adopted (CoP13 Doc. 58):
 - a) Controls should concentrate on those commodities that first appear in international trade as exports from range States. Those commodities may range from crude to processed material; and
 - b) Controls should include only those commodities that dominate the trade and the demand for the wild resource.

Conclusions

9. Annotation #9 is in obvious contradiction to the guiding principles in the following aspects:
 - a) Annotation #9 excludes commodities from controls that "first appear in trade as exports from (3 out of 5) range States". This is however, where controls should concentrate according to paragraph a) of the guiding principles.
 - b) Annotation #9 excludes commodities from controls that are directly derived from wild-collected material, and "dominate the demand for the wild resource". This is in contradiction to paragraph b) of the guiding principles and in some way also in contradiction to the principles of CITES.
 - c) In contrast, commodities that have their origin outside the natural range of *Hoodia* spp. and are produced fully independently from natural populations, are subject to controls. This is in contradiction to paragraphs a) and b) of the guiding principles.
 - d) It further leads to allocation of CITES resources to activities with zero impact on sustainable use and management of *Hoodia* spp., such as issuing permits for, and reporting on trade in specimens originating from artificial propagation.

Reservation of Switzerland

10. Switzerland has notified serious concerns prior to CoP13 (see 4. above). Although we fully acknowledge the intentions of the proponents to sustainably use *Hoodia* spp. as a natural resource, and share the concerns about possible unsustainable use of populations for international trade, and further agree with the listing of *Hoodia* spp. in Appendix II for biological and trade criteria, we come to the conclusion that the annotation of *Hoodia* spp., as proposed and adopted at CoP13, is problematical, as it leads to allocation of CITES resources to activities with no obvious positive conservation impact, whereas the vast bulk of trade in material that is directly derived from the wild resource should take place outside CITES. We also do acknowledge, that the intention of range States to facilitate agreements with pharmaceutical companies, in order to provide for better value addition within such States, is fully justified and we think that mechanisms to achieve this goal have to be developed. We have some doubts however, whether CITES is the most suitable instrument in this context.
11. As a result of the concerns outlined above, Switzerland has entered a reservation against the listing of *Hoodia* spp. in App. II (Notification No. 2005/009, 10 March 2005). However, if the annotation shall be revised in the future, as announced at CoP13, and brought in line with the guiding principles for annotations of medicinal plants, Switzerland would consider to withdraw this reservation as soon as possible.