CoP19 Doc. 62.1 Original language: English

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



Nineteenth meeting of the Conference of the Parties Panama City (Panama), 14 – 25 November 2022

Species specific matters

Agarwood-producing taxa (*Aquilaria* spp. and *Gyrinops* spp.)

REPORT OF THE PLANTS COMMITTEE

- 1. This document has been submitted by the Plants Committee.*
- 2. At its 18th meeting, the Conference of the Parties (CoP18, Geneva, 2019) adopted the following Decisions:

Directed to the Plants Committee

18.203 The Plants Committee shall:

- monitor the implementation of Resolution Conf. 16.10 on Implementation of the Convention for agarwood-producing taxa to assess any potential conservation impacts to the long-term survival of agarwood-producing species and possible problems arising from the implementation, by:
 - developing a questionnaire on potential conservation issues in the implementation of Resolution Conf. 16.10 on Implementation of the Convention for agarwood-producing taxa to be circulated to the Parties through a Notification, and analysing the responses received;
 - examining available trade data; and
 - analysing available data on the conservation status of agarwood-producing species; and
- b) report findings and recommendations to the 19th meeting of the Conference of the Parties and advise on the need for a study to further assess impacts of harvest, management and trade in agarwood products on the conservation of agarwood- producing species in the wild.

Directed to the Secretariat

18.204 The Secretariat shall assist the Plants Committee in the implementation of Decision 18.203.

The Chair of the Plants Committee and the Secretariat, in collaboration with the regional representative of Asia (Ms. Tika Dewi Atikah) submitted documents PC25 Doc. 24 and PC25 Doc. 24 Add. to the Plants Committee at its 25th meeting (PC25, online, June 2021). These documents outlined in detail the progress achieved in the implementation of Decisions 18.203 and 18.204.

The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat (or the United Nations Environment Programme) concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.

- 4. The addendum (PC25 Doc. 24 Add.) noted, based on the findings of preliminary consultations with the Plants Committee and relevant Parties, that differing opinions exist as to whether provisions under the newly adopted source code "Y" should replace the special provisions for trade in artificially propagated agarwood, as contained in paragraph 3 of Resolution Conf. 16.10 on *Implementation of the Convention for agarwood-producing taxa*.
- 5. Based on the recommendations contained in said documents, at its 25th meeting, the Plants Committee established an in-session working group co-chaired by the representative for Asia (Ms. Atikah) and the alternate representative for Asia (Ms. Zeng).
- 6. Based on the working group's outputs [see <u>PC25 Com. 7</u>], the Plants Committee adopted the following recommendations:
 - a) The Committee agreed to postpone the consideration on the potential revisions to Resolution Conf. 16.10 on *Implementation of the Convention for agarwood-producing taxa* for the next intersessional period.
 - b) The Committee further agreed to postpone the consideration on the potential revisions to Agarwood glossary and the Agarwood Non-Detriment Finding guidance for the next intersessional period.
 - c) The Committee noted that, in cooperation with the CITES Secretariat, the International Tropical Timber Organization (ITTO) is in the process of implementing an agarwood study that could address some of the working group's concerns regarding agarwood producing methodologies and the use of different source codes under different management scenarios.
 - d) The Committee invited range States to consider contributing to the UN Decade on Ecosystem Restoration (2020–2030), as part of global landscape restoration and species recovery of respective range States.
 - e) The Committee noted the needs for identification materials and the need for capacity-building and guidance on legal acquisition findings, including on the chain of custody, with regard to specimens of agarwood-producing taxa (*Aquilaria* spp. and *Gyrinops* spp).
 - f) The Committee agreed to submit the draft decision contained in Annex 1 to the present document for consideration at CoP19:

Recommendations

7. The Conference of the Parties is invited to adopt the draft decision contained in Annex 1 to the present document.

COMMENTS OF THE SECRETARIAT

- A. The Secretariat recommends that the Conference of the Parties adopt the draft decisions with amendments, as elaborated in paragraph D below. Since the instructions contained in Decisions 18.203 and 18.204 are included in the draft decisions proposed, the Secretariat recommends the Conference of the Parties to delete Decisions 18.203 and 18.204.
- B. Since the 25th meeting of the Plants Committee (PC25, online, June 2021), the following additional developments have taken place:
 - a) The CITES Tree Species Programme (CTSP) is funding a project entitled *Establishment of Arboreta* and *Strengthening Institutional Network for the Conservation of* Aquilaria malaccensis *in Peninsular Malaysia*. This project has progressed well and is at the time of writing close to completion (see document CoP19 Doc. 20).
 - b) In the context of implementing Decision 18.178 on *Guidance on the term 'artificially propagated'*, the Secretariat commissioned guidance on terms related to the artificial propagation of CITES-regulated plants. The preliminary guidance also included specific terms and definitions employed for regulating trade in artificially propagated agarwood products (see document CoP19 Doc. 56). The *preliminary*

<u>guidance</u> is available on the CITES website in the tools and resources section of the webpage on Captive-produced animals and artificially propagated plants.

- c) The United Kingdom of Great Britain and Northern Ireland has submitted document CoP19 Doc. 62.2 to the present meeting. It contains reviews of agarwood taxonomy, production and harvesting, products, identification, conservation status, and legal and illegal international trade. It also summarizes the history of CITES work on agarwood and concludes that agarwood populations in the wild continue to decline in spite of these efforts and recommends a number of measures to improve CITES implementation, and to support the conservation of agarwood producing taxa in the wild.
- d) The CTSP, through the International Tropical Timber Organization, conducted a review of the agarwood producing genera *Aquilaria* and *Gyrinops* with regard to CITES considerations, trade patterns, conservation and management. The review estimates the global value of the agarwood industry at USD 30 billion. A validation workshop to consider the draft report of the review, collate additional information and discuss draft recommendations was generously hosted by Malaysia (20-22 June 2022, online and in person, Kuala Lumpur). The workshop was attended by approximately 50 experts from 13 agarwood range States. Workshop participants agreed that CITES work had historically focused on techniques for agarwood inoculation and on the management artificially propagated agarwood. However, populations in the wild seem to continue to decline; harvest methods often appear unsustainable; and illegal trade from the wild appears to be continuing. At the time of writing, the review report is being finalized to take into account the outcomes of the workshop. It will be submitted to CoP19 as information document and will contain recommendations to range States, importing countries, and CITES bodies.
- e) The Secretariat notes that the two reviews described in paragraphs B. c) and B. d) above were conducted independently and that both came to similar conclusions regarding the need for improved taxonomy and identification; the deteriorating conservation status of agarwood taxa in the wild; the growing significance of trade from artificial propagation in line with the definitions and exemptions defined in Resolution Conf. 16.10 on *Implementation of the Convention for agarwood-producing taxa*; continuing illegal trade from the wild; and the need to improve range State capacity to manage wild resources including the making of inventories and non-detriment findings.
- C. With regard to draft decision 19.AA, the Secretariat makes the following observations:
 - a) Paragraph a) of draft Decision 19.AA proposes to consider potential revisions to Resolution Conf. 16.10 on *Implementation of the Convention for agarwood-producing taxa*, taking into account other relevant Resolutions, including Resolution Conf. 10.13 (Rev. CoP18) on Implementation of the Convention for tree species, as appropriate. The Secretariat believes that any revisions of Resolution Conf. 16.10 should also take into account Resolution Conf. 11.11 (Rev. CoP18) on *Regulation of trade in plants*;
 - b) the availability of two new studies on CITES work on agarwood and challenges in ensuring that legal trade in the taxa is not detrimental to their wild populations may warrant amendments to paragraph b) of draft decision 19.AA. The lack of uptake of the Agarwood NDF guidance identified in document PC25 Doc. 24 and the broader challenges to ensuring legal and non-detrimental trade in agarwood from the wild or from assisted production suggest that a comprehensive approach is needed; and
 - c) any amendments to Resolution Conf. 16.10 as well as any new scope of future CITES work on agarwood should be reported to the Standing Committee.
- D. In the light of the above, the Secretariat proposes modified draft decisions 19.AA and 19.BB:

(Proposed new text is <u>underlined</u>, proposed deletions are indicated in strikethrough)

Directed to the Plants Committee

- **19.AA** The Plants Committee shall, with the assistance of the Secretariat, review document CoP19 Doc. 62.2 and information document CoP19 Inf. 12 and:
 - a) consider potential revisions to Resolution Conf. 16.10 on Implementation of the Convention for agarwood-producing taxa, taking into account other relevant Resolutions, including Resolution Conf. 10.13 (Rev. CoP18) on Implementation of the Convention for tree species, and Resolution Conf. 11.11 (Rev. CoP18) on Regulation of trade in plants, as appropriate;

- b) formulate any appropriate recommendations regarding to improve the uptake of the Agarwood glossary and the Agarwood NDF guidance; and
- c) report its conclusions and make-recommendations on paragraphs a) and b) of the present Decision for consideration by the Conference of the Parties at its 20th meeting the Standing Committee.

Directed to the Standing Committee

19.BB The Standing Committee shall consider the report by the Plants Committee on Decision 19.AA and formulate recommendations to the Conference of the Parties for the improvement of the implementation of the Convention for agarwood-producing taxa.

DRAFT DECISION ON AGARWOOD-PRODUCING TAXA (AQUILARIA SPP. AND GYRINOPS SPP.)

Directed to the Plants Committee

19.AA The Plants Committee shall, with the assistance of the Secretariat

- a) consider potential revisions to Resolution Conf. 16.10 on *Implementation of the Convention for agarwood-producing taxa*, taking into account other relevant Resolutions, including Resolution Conf. 10.13 on *Implementation of the Convention for tree species*, as appropriate;
- b) formulate any appropriate recommendations regarding the Agarwood glossary and the Agarwood NDF guidance; and
- c) make recommendations for consideration by the Conference of the Parties at its 20th meeting.

TENTATIVE BUDGET AND SOURCE OF FUNDING FOR THE IMPLEMENTATION OF DRAFT RESOLUTIONS OR DECISIONS

According to Resolution Conf. 4.6 (Rev. CoP18) on Submission of draft resolutions, draft decisions and other documents for meetings of the Conference of the Parties, the Conference of the Parties decided that any draft resolutions or decisions submitted for consideration at a meeting of the Conference of the Parties that have budgetary and workload implications for the Secretariat or permanent committees must contain or be accompanied by a budget for the work involved and an indication of the source of funding. The Secretariat proposes the following tentative budget and source of funding.

The Secretariat is of the view that draft decision 19.AA as above can be implemented without external funding. Funding for additional work proposed by the United Kingdom of Great Britain and Northern Ireland is detailed in document CoP19 Doc. 62.2.