

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

“SUPPORT TO THE IMPLEMENTATION OF THE UNREDD INITIATIVE FOR SUSTAINABLE FOREST
TRADE IN THE LOWER MEKONG PROJECT, WITH A FOCUS ON TRADE IN CITES-LISTED TIMBER
SPECIES” (SFT-LMR-CITES)

1. This document has been submitted by the Secretariat in relation to agenda item 19.*
2. The Lower Mekong Region is home to around 100 CITES-listed tree species, which have high commercial trade value. They include timber species of rosewoods of the genus *Dalbergia*, yew trees of genus *Taxus* and agarwood of the genus *Aquilaria*. Compliance with CITES trade processes therefore can play a key role in reducing illegal forest trade and improved forest governance.
3. The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) supports countries to reduce the likelihood of forest crime by strengthening forest and land use governance. The UN-REDD project “Sustainable forest trade in the Lower Mekong Region” supports countries in the Lower Mekong Basin and China to strengthen their forest governance and to ensure that trading of wood products is legal and sustainable. The Food and Agriculture Organization of the United Nations (FAO) is the lead UN-REDD agency in the implementation of this initiative.
4. On 5 February 2021 FAO and the CITES Secretariat signed an UN-to-UN agreement to undertake the project “Support to the implementation of the UN-REDD Initiative for Sustainable Forest Trade in the Lower Mekong project, with a focus on trade in CITES-listed timber species” (SFT-LMR-CITES), which is funded by Norway’s International Climate and Forest Initiative. The project marks the spot where the objectives of the UN-REDD initiative Lower Mekong Region and CITES meet, particularly where it relates to forest governance and regulation of trade of timber tree species.
5. The SFT-LMR-CITES project aims to strengthen the implementation of CITES’ regulations in LMR Parties including Cambodia, China, the Lao People’s Democratic Republic, Thailand and Viet Nam. The **Annex** to the present information document contains a summary of the milestones reached in accordance with matters relating to strengthened: sustainability in trade of CITES listed trees; compliance with CITES regulations for tree species; and enforcement of CITES regulations for tree species.
6. The project, scheduled to conclude in February 2023, is testimony to CITES and FAO’s shared commitment to enhance the implementation of global forest-relevant mandates and contribute effectively to global forest policies and initiatives.

* *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.*

Support to the implementation of the UN-REDD Initiative for Sustainable Forest Trade in the Lower Mekong project, with a focus on trade in CITES-listed timber species (SFT-LMR-CITES)

MILESTONES REACHED AS OF NOVEMBER 2022



Contents

I. Introduction.....	4
II. Milestones reached per outcome.....	5
OUTCOME 1: LMR Parties have enhanced capacities to ensure sustainability in trade of CITES-listed trees.....	5
Output 1: Capacities on CITES NDFs for rosewoods of the genus <i>Dalbergia</i> in Lao PDR are strengthened.....	5
OUTCOME 2: LMR Parties have enhanced capacities to ensure compliance with CITES regulations for tree species.....	7
Output 2.1: Capacities on legal acquisition findings (LAF) and eCITES permit management are strengthened.....	7
Output 2.2: Implementation of eCITES in Cambodia is improved	8
Output 2.3: Resources and tools for identification of CITES-listed timber species in LMR are developed.....	10
OUTCOME 3: LMR Parties have enhanced capacities to ensure enforcement of CITES regulations for tree species.....	12
Output 3: Capacities on the physical inspection of timber shipments are improved.....	12

I. Introduction

The Convention on International Trade in Endangered Species of Wilde Fauna and Flora (CITES) is widely regarded as one of the most important international conservation instruments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten the survival of the species. Effective implementation and enforcement of the regulatory framework established by CITES supports species' conservation, livelihoods and sustainable development.

The Lower Mekong Region (LMR) is home to around 100 CITES-listed tree species, which have high commercial trade value. They include timber species of rosewoods of the genus *Dalbergia*, yew trees of genus *Taxus* and agarwood of the genus *Aquilaria*. Compliance with CITES trade processes therefore can play a key role in reducing illegal forest trade and improved forest governance.

The LMR was therefore identified as a perfect candidate to benefit from support from the CITES Secretariat and FAO, as committed partners to advance coherence of the international governance framework on forests.

The UN-REDD initiative for Sustainable Forest Trade in the Lower Mekong SFT-LMR works with the CITES Secretariat to strengthen national structures and capacity for the countries to be able to comply with CITES trade processes, including the legal acquisition findings (LAF), non-detriment Findings (NDF), and identification of timber specimens in trade and CITES e-permitting.[†]

[†] See also: <https://www.un-redd.org/multi-media-stories/protect-and-verify-cites-listed-trees-species-and-their-legal-and-sustainable>

II. Milestones reached per outcome

OUTCOME 1: LMR Parties have enhanced capacities to ensure sustainability in trade of CITES-listed trees

Output 1: Capacities on CITES NDFs for rosewoods of the genus *Dalbergia* in Lao PDR are strengthened

Rosewood of the *Dalbergia* genus has historically been a prized timber in the region, supplying markets and consumers predominantly in China. In the early 2000s, demand for Rosewood peaked, resulting in unsustainable exploitation in many of the regional countries. In 2016, the species was listed under CITES Appendix II. Since 2018, all commercial exports of two species of rosewood (*Dalbergia cochinchinensis* and *Dalbergia oliveri*) from Lao PDR has been suspended, and the country is undergoing a compliance process under Article XIII of CITES due to concerns relating to the sustainability of their trade.

In line with relevant activities of FAO and CITES agreement, the CITES Secretariat has provided backstopping support to FAO throughout the drafting process, signature and implementation of the terms contained in the letter of agreement on “Developing CITES non-detriment findings for rosewoods in Lao PDR” signed on August 2022 between FAO and the National Agriculture and Forestry Research Institute (NAFRI).



In essence, through the letter of agreement, the CITES Authorities of Lao PDR are developing a standard of Non-Detriment Findings (NDF) for these two species of rosewood trees. This standard will be used by the National CITES Authorities to assess and certify the non-detriment nature of each export request, by issuance of an NDF. At the core of the NDF is the scientific review and analysis of Lao PDR’s current resource base and capacity for commercial harvest and exports of these two species, both from natural forests, as well as from plantations.

In the context of the SFT-LMR-CITES project, FAO signed an agreement with the National Agriculture and Forest Research Institute (NAFRI) of Lao PDR, to update the knowledge on the distribution of *D. cochinchinensis* and *D. oliveri* in preparation for the formulation of a NDF for the species. The FAO-NAFRI

agreement was designed in consultation with the Secretariat and tailored to address the ongoing recommendations to Lao PDR on *Dalbergia* spp. under the Article XIII compliance process.

At the time of writing, NAFRI has completed the update and mapping of the distribution of *Dalbergia cochinchinensis* and *Dalbergia oliveri* in Central and Southern provinces of the country, as well as a draft verification report of the status quo of rosewood species of the genus *Dalbergia*.

Based on the preliminary findings of the study by NAFRI, and in line with the precautionary approach, Lao PDR has requested the Secretariat to publish a zero-export quota for wild (source code W), artificially propagated (source code A) and assisted production (source code Y) specimens of *Dalbergia* spp. for the years 2022 and 2023 on the CITES website. These quotas were published on the website on export permits of the CITES Secretariat on 11 October 2022. 11.

As a next step, NAFRI is working on the analysis of the necessary legal procedures for the sustainable harvest of rosewood species and for the long-term rosewood conservation and sustainable management strategy.

As part of the backstopping support, the CITES Secretariat continues to attend monthly coordination calls with FAO and NAFRI to ensure the implementation of the LoA is on track, and to contribute towards the delivery of quality outputs in support of the ongoing compliance recommendations under Article XIII of CITES.

The Secretariat has reported progress on this to the Standing Committee for its consideration at its 75th meeting (SC75, Panama City, 13 November 2022) through document SC75 Doc. 7.2.2, available at: <https://cites.org/sites/default/files/documents/SC/75/agenda/E-SC75-07-02-02.pdf>

Box 1. Taking stock

- The main CITES provisions to which this output has contributed are:

Resolutions

- Resolution Conf. 14.3 (Rev. CoP18) on *CITES compliance procedures*
- Resolution Conf. 16.7 (Rev. CoP17) on Non-detriment findings

Decisions

- Decision 18.234 on *Rosewood tree species [Leguminosae (Fabaceae)]*

- Impact: National (Lao PDR)

OUTCOME 2: LMR Parties have enhanced capacities to ensure compliance with CITES regulations for tree species

Output 2.1: Capacities on legal acquisition findings (LAF) and eCITES permit management are strengthened

a) Workshop on Legal Acquisition Findings (LAF)

Verifying the origin and legality of CITES listed timber species is at the core of the CITES trade processes. This is done in each country by national CITES Management Authorities assessing exports containing CITES species and issuing what is called a Legal Acquisition Findings (LAF) when an export consignment is found to be satisfactory. The process for such verification is established by the national CITES Management Authorities, in order to ensure that the product was sourced and obtained in accordance with relevant laws and regulations throughout the value chain.

For countries in the LMR, the maturity of LAF processes have much to do with the robustness of the country's legal framework, trade regulations, the volume of trade and industry. Thailand is making significant strides towards the finalization of LAF guidance for tree species and has included CITES permit issuance and verification processes in the national Timber Legality Assurance System (TLAS) it is currently developing as part of the negotiation of a Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) between Thailand and the European Union. Viet Nam has made considerable progress in defining legality and mechanisms for its verification, helped by the same FLEGT VPA process.

From 18-19 May 2021 the CITES Secretariat organized an "Online workshop on Legal Acquisition Findings in CITES tree species from the Lower Mekong Region". In the regional trainings on LAF conducted under the UN-REDD SFT-LMR Initiative, the experience of these countries, as well as those of other broader regional countries including Singapore and China helped to inform and mutually build understanding and capacity for the remaining LMR countries of Cambodia, Lao PDR and Myanmar.

Over 100 representatives from Cambodia, China, Lao PDR, Thailand and Viet Nam took active part in the workshop, as well as representatives of FAO, the International Tropical Timber Organization (ITTO), and members of international NGOs, the private sector and academia.

Find out more about the LAF workshop here:
https://cites.org/eng/CITES_FAO_workshop_timber_LAF_LowerMekongRegion_25052021

b) Webinar on Electronic permitting solutions

Once export consignments successfully undergo verification and assessment by the national CITES Management Authorities, they are issued a CITES permit. Automating CITES permit management can prove crucial not only in time-efficiency, but also in the traceability of trade of CITES-listed species. This is why e-permitting, while not a requirement of the CITES trade processes, is encouraged for countries that have sizeable trade in CITES listed species.

On 25 May 2021 the CITES Secretariat organized an online "Workshop on Automated CITES permit management for the Lower Mekong Region", where LMR countries were introduced to the benefits and requirements for using the automated permitting systems. This training was an opportunity to explore interest within the region in the implementation of national eCITES solutions. Following the webinar, Cambodia expressed interest in introducing eCITES solutions, and was identified as a candidate for the undertaking a feasibility study, as reported ahead.

Output 2.2: Implementation of eCITES in Cambodia is improved

The CITES Secretariat has provided backstopping support to FAO in the implementation of an eCITES Base solution in Cambodia. Building upon the findings of the consultations following the eCITES webinar, the Secretariat produced draft terms of reference to assist FAO in reaching an agreement with the United Nations Conference on Trade and Development (UNCTAD) towards the development of a feasibility study for the implementation in Cambodia of an electronic system for the issuance, control, and management of CITES permits and certificates.

In the framework of the agreement between the CITES Secretariat and FAO, a feasibility study was conducted by the UNCTAD Automate System for Customs Data (ASYCUDA) in Cambodia in consultation with the CITES Management and Scientific Authorities, enforcement authorities, other governmental institutions and FAO.

The study reviewed, inter alia, the current CITES procedures and processes for permit issuance, control, management, recording, reporting. It assessed options for the partial or full eCITES implementation including but not limited to, the implementation of the ASYCUDA eCITES module. It reviewed the legal and administrative framework of the CITES procedures and processes.

A first draft report on the feasibility study was submitted, followed by a revised report in late October 2022. The revised report includes two alternatives – implementation of an electronic permit system for CITES and non-CITES species, based on the comments from some of the stakeholders. However, the decision to include non-CITES species should be further explored with the authorities in Cambodia as well as with potential donors for funding eCITES implementation.

Box 2. Taking stock

- The main CITES provisions to which outputs 2.1 and 2.2 have contributed to are:

Resolutions

- Resolution Conf. 11.3 (Rev. CoP18) on *Compliance and enforcement*, and in particular paragraphs 1 to 4
- Resolution Conf. 12.3 (Rev. CoP18) on *Permits and certificates*;
- Resolution Conf. 13.6 (Rev CoP18) *Implementation of Article VII, paragraph 2, concerning pre-Convention specimens*
- Resolution Conf. 18.7 on *Legal acquisition findings*

Decisions

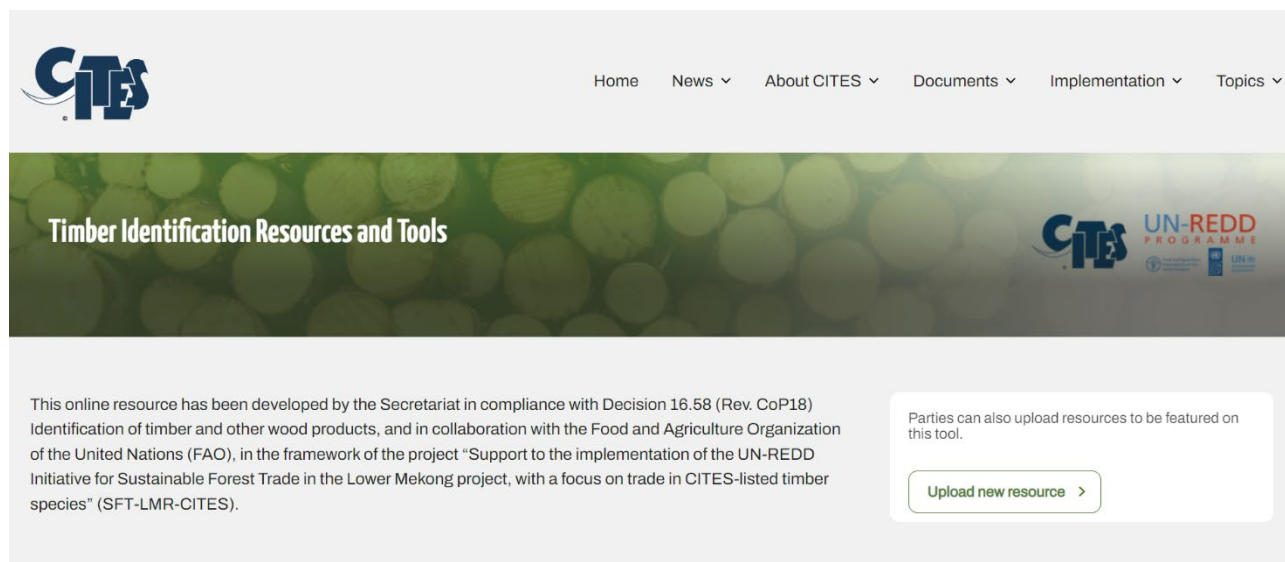
- Decision 17.170 (Rev. CoP18) on *Stocks and stockpiles*
- Decision 18.317 on *Annotations* (and requirements for developing information systems)
- Decisions 18.122-123 on *Guidance for making legal Acquisition findings*

- Decisions 18.126 to 131 on *Electronic systems and information technologies*.

• Impact: Regional (Lower Mekong Region)

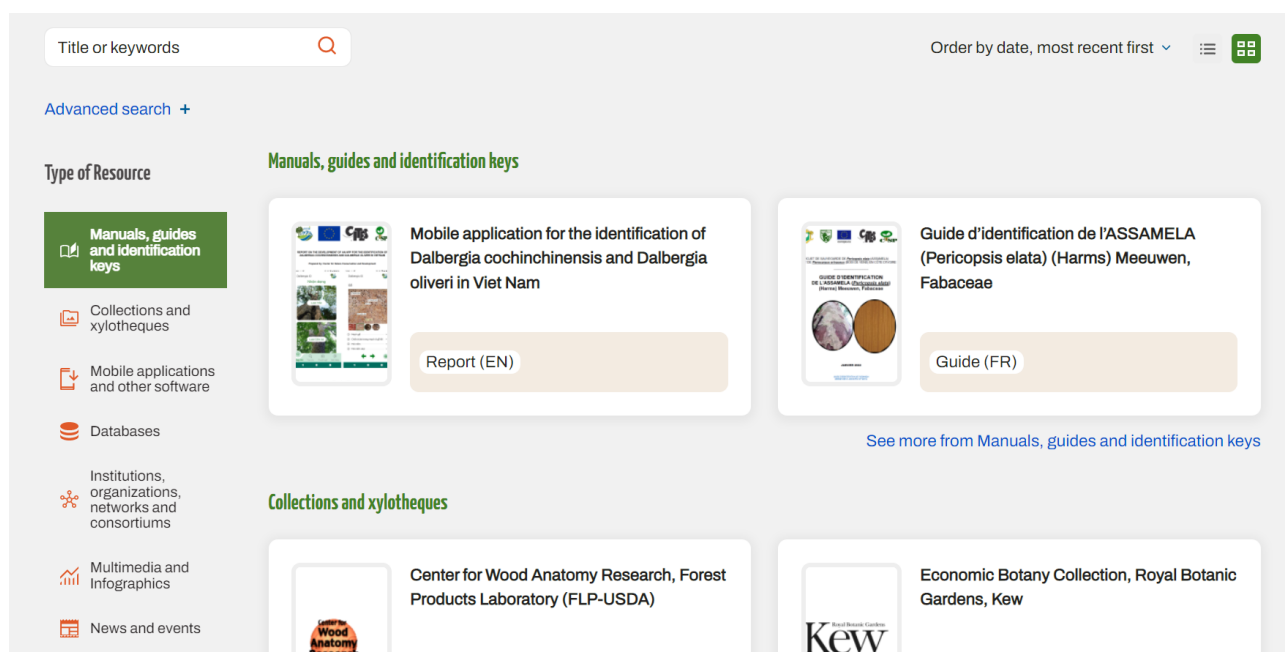
Output 2.3: Resources and tools for identification of CITES-listed timber species in LMR are developed

On 9 November 2022, the Secretariat launched the online platform on “Timber Identification Resources and Tools”.[‡]



The screenshot shows the homepage of the 'Timber Identification Resources and Tools' platform. At the top left is the CITES logo. To the right is a navigation menu with links for Home, News, About CITES, Documents, Implementation, and Topics. Below the navigation is a large green banner with the title 'Timber Identification Resources and Tools' and logos for CITES and UN-REDD Programme. A text block explains that the resource was developed by the Secretariat in compliance with Decision 16.58 (Rev. CoP18) for the UN-REDD Initiative for Sustainable Forest Trade in the Lower Mekong project. A button labeled 'Upload new resource' is visible on the right side of the page.

It's the first such tool of its kind and is made up of: manuals, databases, mobile apps, multimedia and infographics and a host of other useful resources. It's the first time all of these resources have been collected together with the intention of putting the most useful and relevant tools at the fingertips of the Parties to CITES.



The screenshot displays the search interface of the platform. It features a search bar at the top with the placeholder text 'Title or keywords' and a magnifying glass icon. To the right of the search bar, there is a dropdown menu set to 'Order by date, most recent first' and a grid icon. Below the search bar is a sidebar with 'Advanced search +' and a 'Type of Resource' section. The 'Type of Resource' section lists several categories: 'Manuals, guides and identification keys' (highlighted in green), 'Collections and xylotheques', 'Mobile applications and other software', 'Databases', 'Institutions, organizations, networks and consortiums', 'Multimedia and Infographics', and 'News and events'. The main content area shows two resource cards under the 'Manuals, guides and identification keys' category. The first card is for a 'Mobile application for the identification of Dalbergia cochinchinensis and Dalbergia oliveri in Viet Nam' with a 'Report (EN)' button. The second card is for a 'Guide d'identification de l'ASSAMELA (Pericopsis elata) (Harms) Meeuwen, Fabaceae' with a 'Guide (FR)' button. A link 'See more from Manuals, guides and identification keys' is located below the second card. The 'Collections and xylotheques' section below shows two cards: 'Center for Wood Anatomy Research, Forest Products Laboratory (FLP-USDA)' and 'Economic Botany Collection, Royal Botanic Gardens, Kew'.

In addition to customs officials, the repository will help Enforcement authorities and CITES Scientific Authorities to be able to do their jobs of making sure that any trade is legal and poses no risk to the viability of the species being traded.

[‡] See also: <https://cites.org/eng/news/wood-you-know-the-difference>

Currently, the repository consists of close to 100 resources relevant to the identification of CITES-listed tree species, and over time, it will be polished and varnished by the feedback and experiences of Parties in the measure that they make use of it.

Among its features, it will allow users to filter those resources most relevant to a given tree species, region, or project.

The repository also allows to quickly identify the CITES approved forensic laboratories that are relevant to the identification of timber tree species.

The timber identification repository is relevant not only for CITES Parties of the Lower Mekong Region, but a platform that will prove useful to all CITES Parties, and in particular Enforcement Officers, Customs Authorities, and Scientific Authorities.

Explore the online “Timber Identification Resources and Tools” platform here: <https://cites.org/eng/timber/timber-ID-repository>

Box 3. Taking stock

- The main CITES provisions to which this outputs has contributed to are Decisions 18.140 to 18.143 & 16.58 (Rev. CoP18) on *Identification of timber and other wood products*.
- Impact: Global

OUTCOME 3: LMR Parties have enhanced capacities to ensure enforcement of CITES regulations for tree species

Output 3: Capacities on the physical inspection of timber shipments are improved

In spite of the efforts to make the trade processes under CITES work, illegal logging and trade in CITES listed species remains a grave problem, involving links to transnational organized crime groups. In acknowledgement of such realities, under the UN-REDD SFT-LMR Initiative, coordinated efforts are being taken with partners such as the International Crime Police Organization (INTERPOL) and the United Nations Office on Drugs and Crime (UNODC) working from the law-enforcement side of the trade dynamics.

Effective implementation and enforcement of the regulatory framework established by CITES supports species' conservation, livelihoods and sustainable development. Illegal logging and trafficking in tree species are a serious problem globally, and Southeast Asian forests and their species are no exception. Transnational organized crime groups are involved in wildlife and forest crimes, and they are driving the industrial scale of illicit trafficking that we are witnessing.

Establishing, sharing, and enabling good practices to ensure effective physical inspections of timber shipments is crucial to all responses to illegal trade in CITES-listed tree species. Frontline officers must have the knowledge, skills and tools to detect and confiscate illegal timber shipments, and to investigate these crimes and detain the criminals involved.

From 25 to 29 October 2021 the CITES Secretariat organized an online regional training was organized for the LMR and broader regional countries to build capacity of law-enforcement agencies in the physical inspection of timber shipments.



The online workshop contributed to and facilitated increased knowledge of CITES regulation relevant for physical inspections; improved detection of illegal consignments through the use of risk management and risk-profiling and strengthened cross-border cooperation including exchange of information. This will strengthen

CITES implementation concerning CITES-listed tree species and law enforcement responses to illegal trade in these species, including thorough improved species identification capacity and where appropriate, financial investigations. In addition, the workshop supported strengthening capacity to appropriately dispose of illegal consignments confiscated and contributed to improvement of CITES annual illegal trade data quality related to tree species.

The working language of the workshop was English, with simultaneous interpretation available in Chinese, Khmer, Laotian, Thai and Vietnamese.

Resource persons from INTERPOL and UNEP-WCMC were among the trainers providing theoretical and hands-on training. Participants from the LMR exchanged experiences and sought advice from other participants including from Singapore and China about how investigations are coordinated across the different law-enforcement agencies, communication and intelligence sharing with across borders, and resources and equipment used for correctly identifying tree species.

The online workshop brought together experts from international governmental organizations (IGO) and representatives of CITES Management Authorities, customs administrations and other relevant authorities responsible for law enforcement related to CITES-listed tree species. A total of 121 participants attended the workshop, as follows:

- Seven (7) Parties to the CITES Convention, of which:
 - Five (5) were Parties of the Lower Mekong Region (LMR): Cambodia, China, Lao PDR, Thailand, and Viet Nam; and
 - Two (2) were non-LMR Parties: the United Kingdom of Great Britain and Northern Ireland and Singapore. These Parties were invited as they represent key ports of entry of CITES-listed timber.
- Four (4) United Nations organizations and specialized agencies: CITES Secretariat, the Food and agriculture Organization of the United Nations (FAO), United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), United Nations Office on Drugs and Crime (UNODC).
- Two (2) intergovernmental organizations: the International Criminal Police Organization (INTERPOL) and the and the World Customs Organization (WCO).

Find out more about the online regional workshop on physical inspection of timber shipments here: https://cites.org/eng/CITES_timber_inspection_LowerMekong_workshop_29102021

Box 4. Taking stock

- The main CITES provision to which this output has contributed to is Decision 16.58 (Rev. CoP18), paragraph a) relating to the physical inspection of timber shipments.
- Impact: Regional (Lower Mekong Region)