

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



Fifty-ninth meeting of the Standing Committee  
Doha (Qatar), 12 March 2010

Interpretation and implementation of the Convention

Species trade and conservation

BIGLEAF MAHOGANY

1. This document has been prepared by the Secretariat.

Background

2. At its 58th meeting (SC58, Geneva, July 2009), the Standing Committee reviewed Peru's implementation of the recommendations that had been agreed at its 57th meeting (Geneva, July 2008). In addition to considering document SC58 Doc. 39, the Committee considered an in-session document (SC58 Com. 2) that included additional information on implementation of the SC57 recommendations as well as the advice of the Secretariat.
3. During its discussions, the Standing Committee agreed to several amendments to document SC58 Com. 2 stemming from additional discussions between the Secretariat and Peru as well as suggestions by Standing Committee members. A consolidated version of the additional information on implementation of the SC57 recommendations, considered at SC58, is contained in the Annex to this document.

Implementation of SC58 decisions

*SC58 Decision 1 – Continuation of SC review*

*The Standing Committee should continue its review of Peru's implementation of the SC57 recommendations at SC59 (March 2010). In the interim, Peru should compile additional information or undertake relevant action regarding its implementation of the SC57 recommendations.*

4. Peru compiled additional information and undertook relevant action to implement the SC57 recommendations and then submitted a comprehensive report to the Secretariat in October 2009.

*SC58 Decision 2 – Secretariat mission*

*The Secretariat should undertake a mission to Peru later this year, whose terms of reference will be prepared by the Secretariat in consultation with the chair of the Plants Committee and Peru. Thereafter, Peru should prepare an updated status report on its implementation of the SC57 recommendations.*

5. Two members of the Secretariat (with expertise in legal and scientific issues, respectively) undertook a mission to Peru from 26 to 29 January 2010.
6. During the mission, the Secretariat staff met with representatives of the following bodies: the lead Management Authority (Vice-Minister of Agriculture, staff of the Directorate General of Fauna and Flora Species), the Forestry Information System of the Ministry of Agriculture, the Management Authority for marine and aquatic species, the Scientific Authority (Ministry of Environment, supported by the University of Molina), the Supervision Office of Wood Forest Concessions (OSINFOR), the Special Environmental Prosecutor, the Ministry of Foreign Affairs, the Army, members of the private sector and several local as well as international non-government organizations. The results of these discussions are reflected below. It

is also anticipated that, as requested at SC58, Peru will prepare an updated status report on its implementation of the SC57 recommendations.

#### *SC58 Decision 3 – Other range States and importing countries*

*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 United States, -- which import mahogany from Peru – of Recommendation 7 and urge them to implement it.*

7. Due to the press of other matters, the Secretariat has not yet been able to send the envisaged letters. It will, however, send them before the present meeting.

#### *SC58 Decision 4 – Ex post facto increase of 2008 quota*

*The Standing Committee concurred with the Secretariat's view in the second paragraph under Recommendations 3 and 4 in document SC58 Com. 2 and supported the proposal made by the Secretariat in the third paragraph under Recommendations 3 and 4 in that document.*

8. Relevant information is provided under SC57 Recommendations 3 and 4 below.

#### Implementation of recommendations agreed at SC57

9. The following paragraphs provide updated information about Peru's implementation of the SC57 recommendations.

#### *SC57 Recommendation 1 – National legislation*

*The Standing Committee took note of the information contained in document SC57 Doc. 36, including the Secretariat's assessment of Peru's progress in implementing the recommendations of SC55. The Committee also took note of the information provided by Peru on recent developments, including newly enacted legislation to strengthen implementation of CITES, and other efforts to implement the recommendations made at SC55 and advice provided by the Secretariat in the context of its mission to Peru in May 2008.*

10. Based on Peru's explanation of the derogation of Decree 1090 and the new legislative texts which it provided during the January 2010 mission, the Secretariat is satisfied that Peru's legislation fulfils the minimum requirements set forth in Resolution Conf. 8.4 (Rev. CoP14) and can be placed under Category 1 of the National Legislation Project.
11. In the Secretariat's view, Peru has implemented this recommendation.

#### *SC57 Recommendation 2 – PAEC implementation*

*The Standing Committee recognized the considerable efforts that Peru has made to improve forest sector governance, management of concessions and other forest management areas, and the effectiveness of oversight mechanisms. The Committee welcomed Peru's report that the Strategic Action Plan for Mahogany (PAEC) that had been adopted at the highest political level and encouraged Peru to implement the PAEC. The Committee also urged importing countries, relevant international organizations and others to fully support the efforts made by Peru to implement the PAEC and the Committee's recommendations.*

12. Peru has made some progress in implementing the PAEC, particularly in connection with the development and adoption of necessary legislation and institutional structures. Peru now needs to focus on putting in place the information system envisaged under the PAEC which will enable it to trace and monitor lawful timber trade along the chain of custody more efficiently and effectively and to detect unlawful timber trade.
13. In the Secretariat's view, Peru has not yet fully implemented this recommendation.

#### SC57 Recommendations 3 and 4 –Quotas and leftovers

*Regarding left-overs from harvesting and exports of 2007 and previous years, the Committee welcomed Peru's assurance that there were no left-overs from years prior to 2007. The Committee also welcomed information provided by Peru on the manner in which the 2007 and 2008 export quotas had been established and were being managed. However, the Committee noted the need for further improvements in the communication of information on the implementation of the quota.*

*Regarding the left-overs of 2007, the Committee recommended that Peru should provide a "baseline" report on the remaining volume that can be authorized for export, and subsequent reports, on a quarterly basis, regarding the disposition of the remainder of the volume authorized for harvest in 2007. Information on the authorized and verified concessions and other forest management areas where the timber was harvested should be included on the CITES permit in box 5 ("special conditions") and annexes.*

14. Peru's mahogany export quota for 2009 covers the period from May 2009 to May 2010. In addition, Peru still has left-overs from its 2007 and 2008 mahogany export quotas. The Secretariat does not have any consolidated information on the quantity of or shipment plans for the left-overs but each export permit presumably indicates the quantity remaining under the respective quota. Peru has not yet instituted a reliable system for reporting regularly on the implementation of its 2007 (or 2008 or 2009) quota and left-overs (see paragraph 16 below).
15. The accumulation of leftovers is discouraged under Resolution Conf. 14.7 on *Management of nationally established export quotas*. Peru's practice with export quotas, however, does not seem consistent with this guideline and more effort is needed to avoid quota leftovers. To improve implementation of Peru's quotas, it appears that the Management and Scientific Authorities need to reconcile two parallel approaches for determining the quota and authorizing the export of mahogany. Under a concession-based management system, involving three separate verification steps, the Management Authority is authorizing a certain number of trees in each concession for export. Apparently, the Scientific Authority is not involved in this system. Instead, it determines, on the basis of an inventory and related extrapolations, how many trees can be harvested throughout the entire country during a given year. The Management Authority does not seem to take this overall number into account when it approves the number of trees that can be taken from each concession. The current situation has caused not only quota leftovers but also confusion among concession owners and mahogany traders.
16. As mentioned under Recommendation 2 above, Peru needs to establish an information system that will enable it to monitor its trade, keep records and report better and more easily.
17. Contrary to the decision adopted at SC58, Peru authorized an increase of its 2008 quota during the second half of 2009. This increase, which incorporated into the 2008 quota an additional volume of mahogany from six native community sites, was later rescinded when irregularities in the timber management practices at those sites were identified.
18. In keeping with past practice, Peru is expected to establish its 2010 mahogany export quota from May 2010 to May 2011. In addition to expressing future quotas in cubic metres, Peru might consider indicating how much of the quota applies to various types of specimens (e.g. sawn wood, veneer sheets and plywood). The Secretariat understands that Peru does not export logs.
19. In the Secretariat's view, Peru has not yet fully implemented this recommendation.

#### SC57 Recommendation 5

*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.*

20. See paragraph 7 above.

#### SC57 Recommendation 6

*The Committee welcomed Peru's offer to continue including information on the volume of mahogany to be harvested from authorized and verified concessions or other forest management areas, the number of the concession or forest management area and the amount to be exported in the communication of their annual*

*export quota, which will be made available on the CITES website. It also welcomed Peru's offer to include copies of its CITES export permits for mahogany in its annual reports to the Secretariat for 2008 and subsequent years.*

21. When providing its mahogany export quota for 2009, Peru included information on the volume of mahogany to be harvested from authorized and verified concessions or other forest management areas, the number of the concession or forest management area, and the amount to be exported. The quota will be published on the CITES website before the present meeting. In future, Peru may also require silvicultural plans for forest concessions and indigenous community areas, which seems to be a crucial requirement for the long-term conservation and sustainable use of mahogany and other timber species.
22. It appears that the Management Authority used the Scientific Authority's non-detriment finding for 2007 as the basis for establishing the quotas for 2008 and 2009. In future and in compliance with Resolution Conf. 14.7, the Scientific Authority should make a new non-detriment finding, with updated recommendations, for each annual mahogany export quota.
23. Peru's CITES annual report for 2008 (including exports of bigleaf mahogany) was submitted to the Secretariat at the end of October 2009. Copies of Peru's 2008 export permits were provided to the Secretariat in March 2009, but the Secretariat has not yet received copies of Peru's 2009 export permits.
24. In the Secretariat's view, Peru has not yet fully implemented this recommendation.

#### *SC57 Recommendation 7*

*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.*

25. See paragraph 7 above.
26. In November 2009, the Secretariat was copied on email correspondence from the United States to Peru which contained a list of United States imports of bigleaf mahogany from Peru during 2009. These involved shipments exported under the 2007, 2008 and 2009 export quotas established by Peru. In January 2010, the Secretariat was copied on email correspondence from the United States to Peru, which contained an updated list of United States imports of bigleaf mahogany from Peru.

#### *SC57 Recommendation 8*

*The Committee recommended that Peru continue the practice of establishing the annual volume of mahogany to be harvested based on the advice of the Scientific Authority, using only timber from authorized and verified concessions and other forest management areas.*

27. See paragraph 15 above.
28. In the Secretariat's view, Peru has not yet fully implemented this recommendation.

#### *SC57 Recommendation 9*

*Regarding the 2009 quota, the Committee welcomed Peru's commitment to take into account the recommendations of the commission on timber yield coefficients, as one of the factors used to calculate the export quota based on authorized harvest.*

29. Peru has decided to set timber yield coefficients at the production unit level, rather than across the country. Some units will develop their own coefficients and the smallest will probably apply an average coefficient. One concession has already developed its own coefficients, working jointly with the Scientific Authority. The Management Authority does not currently have much information about semi-finished and finished products. A new market study will be soon developed on mahogany and cedar products under the joint ITTO-CITES project. The results of such report should make market practices more clear.
30. In the Secretariat's view, this recommendation has been implemented.

### SC57 Recommendation 10

*The Committee reviewed all of the recommendations made at SC55 and noted that a number of them had now been addressed or had expired. However, the Committee recognized the continuing validity of recommendations c) i) on the promotion of complementary tools to strengthen existing regulatory controls and verification mechanisms and c) iii) on the re-establishment of a multi-sectoral commission against illegal logging.*

31. OSINFOR has been established and is now communicating with CITES authorities and other relevant agencies. Peru needs to do more, however, to ensure that OSINFOR and other agencies work well – individually and jointly. The information system mentioned under SC57 Recommendation 2 above should assist the government in overseeing not only the forest concessions and native community areas but also Peru's protected areas, the sawmills and the exporters.
32. In the Secretariat's view, Peru has implemented SC55 Recommendation c) iii) through the establishment of OSINFOR. In order to implement SC55 Recommendation c) i); however, the Secretariat believes that Peru needs to establish the information system mentioned in paragraph 16 above.

### SC57 Recommendation 11

*The Committee recommended that the Secretariat continue to provide assistance to Peru, in the context of CITES-ITTO cooperation, in order to support further improvements in Peru's capacity to implement the requirements of the Convention for mahogany.*

33. The activities undertaken in Peru pursuant to the ITTO-CITES Project have been crucial in assessing the size of the mahogany population in the country (i.e. approximately 130,000 trees above the size of the minimum cutting diameter). As a result of these activities, the Scientific Authority has been able to define a silvicultural strategy based on identified parameters.
34. Satellite images produced under the ITTO-CITES Project provide a national situational assessment of mahogany throughout Peru. It has also been possible to locate most of the seed trees and to know the current genetic quality of the population. Peru has now identified the genetic quality that should be recovered and the type of policies that can enable this to be done.

### SC57 Recommendation 12

*The Committee recommended that the Secretariat continue to support and monitor Peru's progress in implementing the requirements of the Convention for mahogany and report at SC58.*

35. As evidenced by the January 2010 mission, the Secretariat has continued to support and monitor Peru's progress in implementing the requirements of the Convention.

### Recommendations

36. As not all of the SC57 recommendations have been implemented, the Secretariat recommends that Peru institute a voluntary moratorium on mahogany exports until it has put an information system in place (see paragraph 16 above) and reconciled the two approaches now being used to determine the quota and to authorize mahogany for export (see paragraph 15 above).
37. The Secretariat suggests that the overall approach used by the Standing Committee to engage with Peru on bigleaf mahogany provides a good basis for now engaging with other range States and importing countries that are involved in bigleaf mahogany and other timber trade.

**Additional information on implementation of the SC57 recommendations  
and resulting revisions to the Secretariat's recommendations to SC58**

*This document has been prepared by the Secretariat on the basis of document SC58 Doc. 39, document SC58 Com. 2 and related discussions in the Standing Committee.*

**Bigleaf mahogany (revised version)**

The Secretariat discussed a draft of document SC58 Doc. 39 and the SC57 recommendations with the CITES Management Authority of Peru in the margins of the ITTO-CITES Project: Latin American workshop on conversion factors during April 2009. At that time, the Secretariat indicated a number of points on which additional information or clarification from Peru was needed. When it received information from Peru related to the quotas for 2008 and 2009, it sent an email also requesting clarification of several points.

The Secretariat has had some informal communications with the United States about its mahogany trade with Peru and activities under the US-Peru Trade Promotion Agreement.

The Secretariat, the Chair of the Plants Committee and Peru met several times in the margins of this meeting to discuss the implementation status of the SC57 recommendations. These discussions have shown that progress has been made on most of the SC57 recommendations. Not all of the recommendations, however, have been fully implemented. In addition, the Secretariat has received allegations about illegal and unregulated mahogany trade continuing to occur in Peru.

As well as providing an update on the implementation status of each of the SC57 recommendations, the Secretariat will provide a revised set of recommendations for the Standing Committee to consider. It is expected that Peru will wish to make an intervention following the Secretariat's oral report.

Recommendation 1

As indicated in the Annex to document SC58 Doc. 18 on National laws for implementation of the Convention, Peru's legislation has been included in Category 1 - with brackets which indicate that the categorization is pending is pending analysis of the derogation of decree 1090. We understand that the government is working hard to address these concerns as quickly as possible. In the meantime, the Secretariat has received some additional information on this point from Peru and discussed it with the delegation. We need some additional time, however, to complete our legislative analysis.

Recommendation 2

Peru has advised us that the National Action Plan for Mahogany (PAEC) has been incorporated into the US-Peru Trade Promotion Agreement. Information is needed, however, on the status of implementation of the PAEC.

Recommendations 3 and 4

The Secretariat would appreciate receiving reports from Peru on implementation of the 2007 and 2008 quotas, including the amount of any leftovers that may exist.

With regard to the Resolution adopted by Peru in 2009 which purports to increase the quota for 2008 from 761 trees to 851 trees, the Secretariat continues to believe that this is inconsistent with Resolution Conf. 14.7 on export quotas and with other national law. We nevertheless understand that certain local communities were authorized to harvest mahogany in 2008 and now wish to export such mahogany, and that the government erroneously failed to include this quantity in the 2008 quota. We further understand that this additional amount would have been within the range of trees set by the Scientific Authority's non-detriment finding for 2008.

The Secretariat would propose, as an alternative to the *ex post facto* increase of the 2008 quota, that the Government of Peru might consider purchasing the 126 trees whose harvest was authorized in 2008. This would compensate the local communities involved, and the government could thereafter discuss with the Secretariat possible options for the use of those trees.

#### Recommendation 5

This recommendation has been fully implemented by Peru. The Secretariat still has not received any information indicating that other mahogany range States are including information on authorized and verified concessions on their export permits.

#### Recommendation 6

The Secretariat appreciated receiving the Scientific Authority's non-detriment finding reports for 2007 and 2008 and would also like to receive its non-detriment finding report for 2009. As mentioned earlier, Peru adopted Resolutions regarding the 2008 and 2009 quotas and provided them to the Secretariat. Peru has been increasingly transparent about details regarding its mahogany management and trade and, in the future, might consider making information about mahogany quotas, approved concessions and other relevant information available on its government website. In bilateral discussions with the United States, the Secretariat learned that it has received three mahogany shipments from Peru during 2009 involving the 2007 and 2008 quotas. Peru clarified in its oral intervention that 6 permits have been recently issued under the 2009 quota.

#### Recommendation 7

The Secretariat has still not received any information from importing countries, other than the US, on their mahogany trade with Peru.

#### Recommendation 8

The Resolution adopted by Peru established its 2009 mahogany quota in terms of trees (851 trees) but did not give a quantity in cubic meters of sawn wood, so the quota could not be published on the CITES website. During discussions in the margins of this meeting, Peru provided the annual volume of mahogany to be harvested and exported (i.e. 5,043 cubic meters). This information will soon be posted on the CITES website.

#### Recommendation 9

Although Peru previously indicated that it would be establishing a national commission on timber yield coefficients, this has not occurred. It appears that Peru used the same timber yield coefficient in 2009 that it has used in previous years. The nature and extent of Peru's trade in semi-finished or finished mahogany products is still unclear.

#### Recommendation 10

More information is needed on the steps that Peru has taken to implement new and existing legislative provisions relevant to mahogany trade. Peru has informed the Secretariat that its multi-sectoral commission against illegal logging has now been replaced by the government agency OSINFOR. It appears that Peru does not yet have an operational mechanism for independently supervising the chain of custody for mahogany specimens (e.g. from the approved concession to the sawmill and then the border).

#### Recommendation 11

On 6 July 2009, the Secretariat and ITTO met with representatives of countries involved in their joint timber project. Peru participated in that meeting and provided a report on the meeting in April 2009 on timber coefficients.

#### Recommendation 12

As indicated above, the Secretariat has had several discussions with Peru in the margins of this meeting.

#### **Revised Secretariat recommendations**

The Secretariat would revise the recommendation contained in paragraph 21 of document SC58 Doc. 39 as follows:

The Standing Committee should continue its review of Peru's implementation of the SC57 recommendations at SC59 (March 2010). In the interim, Peru should compile additional information or undertake relevant action regarding its implementation of the SC57 recommendations. The Secretariat should undertake a mission to

Peru later this year, whose terms of reference will be prepared by the Secretariat in consultation with the chair of the Plants Committee and Peru. Thereafter, Peru should prepare an updated status report on its implementation of the SC57 recommendations.

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.

The Standing Committee took note of discussions in the Plants Committee and plans under the ITTO-CITES timber project to fund a market study on mahogany products.

The Standing Committee concurred with the Secretariat's view in the second paragraph under Recommendations 3 and 4 in document SC58 Com. 2 and supported the proposal made by the Secretariat in the third paragraph under Recommendations 3 and 4 in that document.