

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

Sixty-ninth meeting of the Standing Committee
Geneva (Switzerland), 27 November -1 December 2017

Species specific matters

Malagasy ebonies (*Diospyros* spp.) and palisanders and rosewoods (*Dalbergia* spp.)

REPORT OF THE SECRETARIAT

1. This document has been prepared by the Secretariat. The Secretariat apologises for the late submission of this document. The mission recommended by the Standing Committee via postal procedure could only be undertaken after the deadline for the submission of working documents to the 69th meeting of the Standing Committee (SC69), and revised information from Madagascar concerning its report to SC69 only became available early in November.

Background

2. At its 67th meeting (SC67, Johannesburg, September 2017), the Standing Committee considered ebonies (*Diospyros* spp.) and rosewoods and palisanders (*Dalbergia* spp.) from Madagascar based on reports submitted by the Secretariat and Madagascar [see documents SC67 Doc. 19.1 and SC69 Doc. 19.2 (Rev. 1)]. At that meeting, the Standing Committee agreed to maintain the current commercial trade suspension in specimens of the species *Dalbergia* spp. and *Diospyros* spp. from Madagascar; requested Madagascar to provide by 31 December 2016 a report on the implementation of paragraph 32 a) sub-paragraphs i), ii) and iii) [of document SC67 Doc. 19.1]; requested the Secretariat to circulate Madagascar's report, along with its recommendations, to the Standing Committee; and agreed to decide via postal procedure on the suspension of commercial trade, with the exception of the Nile crocodile.
3. At its 17th meeting (CoP17, Johannesburg, 2016), the Conference of the Parties adopted Decisions 17.203 to 17.208 on *Malagasy ebonies* (*Diospyros* spp.), and *palisanders and rosewoods* (*Dalbergia* spp.), as shown in Annex 1 to this document. These Decisions are based on those that had been agreed at the 16th meeting of the Conference of the Parties (CoP16, Bangkok, 2013), and largely incorporate the issues discussed at SC67.
4. In accordance with the request of the Standing Committee at SC67, Madagascar submitted a progress report by 31 December 2016 to the Secretariat. The Secretariat circulated this report, along with its recommendations, to the Standing Committee in the course of March and April 2017.
5. The Standing Committee reviewed Madagascar's report and the Secretariat's recommendations and decided by postal procedure in June 2017 to:
 - a) maintain the current recommendation to suspend commercial trade of specimens of the species *Dalbergia* spp. and *Diospyros* spp. from Madagascar that are included in the CITES Appendices with annotation #15 and #5 respectively, until Madagascar has complied with the provisions in Decision 17.204, paragraphs e) and f), by:
 - i) significantly strengthening control and enforcement measures against illegal logging and export at the national level including seizures, investigations, arrests, prosecutions, and sanctions; and

- ii) submitting an audited inventory of at least a third of the stockpiles of logs, sawn wood and veneer sheets of species of *Dalbergia* and *Diospyros* from Madagascar, and a use plan for consideration, approval and further guidance from the Standing Committee.
 - b) acknowledge that finished products of *Dalbergia* spp. that were produced, packaged, ready for retail trade and duly registered and authorized for export in Madagascar prior to 2 January 2017 are not covered by the recommendation to suspend trade. Consequently, exports of those registered specimens can take place in accordance with the relevant special provisions of the Convention related to trade in pre-convention specimens.
 - c) request the Secretariat to undertake a mission to Madagascar to assess progress with the implementation of Decision 17.204 and the Standing Committee recommendations, and report to its 69th meeting. The Standing Committee encourages Madagascar to extend an invitation to the Secretariat to undertake such a mission well in advance of 28 September 2017, which is the deadline for the submission of a working document to SC69.
6. The decisions of the Standing Committee were communicated by Notification to the Parties No. 2017/047 of 27 June 2017.
 7. In accordance with **Decision 17.204, paragraph g)**, Madagascar submitted to the Plants Committee a report on its implementation of **Decision 17.204, paragraphs a), b), c) and d)**. These cover various scientific aspects relating to the trade in and management of *Dalbergia* spp. and *Diospyros* spp. in Madagascar (see document PC23 Doc. 21.1). The Plants Committee noted document PC23 Doc. 21.1, and requested the Secretariat to continue to support Madagascar, notably by liaising with Parties that have asked Madagascar to share samples from its reference collections, and with Singapore for samples of the rosewood shipment seized by this country [see document PC23 Sum. 4 (Rev. 1)].

Implementation of the intersessional recommendations of the Standing Committee and Decision 17.204, paragraphs e) and f)

8. At the invitation of the Government of Madagascar and in accordance with the Standing Committee's request, the Secretariat undertook a mission to Madagascar from 30 September to 8 October 2017 to assess progress with the implementation of Decision 17.204, and with the Standing Committee recommendations mentioned in paragraph 5, a) and b) above. The Secretariat is particularly grateful to the Malagasy CITES authorities for their generous collaboration, and for all the practical and logistical support that it received. It extends its sincere thanks to all Malagasy Government agencies, intergovernmental organizations, government and country representatives, non-governmental organizations, industry representatives, traders and other stakeholders it had the pleasure to interact with during this mission.
9. On 27 September, prior to the mission, and in accordance with **Decision 17.204, paragraph g)**, Madagascar submitted a progress report on its implementation of **Decision 17.204, paragraphs e) and f)** for consideration by the Standing Committee at the present meeting. The Secretariat discussed extensively with various stakeholders during the mission the actions described in this report and its annexes, as well as the *Mécanisme de vérification de stock et business plan* (the "use plan").
10. The Management Authority (MA) of Madagascar accompanied the Secretariat during part of the mission. This allowed the MA to obtain new, updated and additional information on activities relating to Decision 17.204, paragraphs e) and f), and consequently to update its report [see document SC69 Doc. 49.2 (Rev. 1)].

Findings of the Secretariat on the implementation of Decision 17.204, paragraph e) and Standing Committee recommendation a), i): significantly strengthen control and enforcement measures against illegal logging and export at the national level

Control and enforcement efforts

11. Various legal and regulatory measures and reforms, including the creation of specialized government bodies to manage stockpiles and address the "rosewood crisis", have strengthened the regulatory framework to act against illegal logging and export of *Dalbergia* spp. and *Diospyros* spp. However, their operational efficiency seems hampered due to recurrent shortages in resources, and limited political support. Although stated to be a priority, the financial means to allow the practical establishment and operation of the *Chaîne Spéciale de lutte contre les trafics des bois de rose et des bois d'ébène* (including payments for its members) have yet to be allocated.

12. The mission verified the updated information provided in Table 1 of document SC69 Doc. 49.2 (Rev. 1) on 89 possible offences concerning rosewood that were brought to the attention of the Standing Committee. These have in the meantime been bundled into 79 court cases, of which 53 dossiers were judged, 21 are ongoing and five have not been initiated. The Secretariat observes that the cases seem to involve mostly small to mid-level offenders, and that some cases are several years old. Table 2 of the same document provides information on infractions concerning palisander (illegal cutting or transport) during the first half of 2017. These infractions are frequent but usually different in nature because much of the timber is used for local markets rather than for exports.
13. Preventing rosewood from being smuggled from the island requires significant manpower and resources. Very limited means exist to secure strategically important exit points along the north-east coastline of Madagascar. The officials involved – gendarmes, military, regional authorities, staff of the Ministère de l'Environnement, de l'Ecologie et des Forêts (MEEF) – are lacking transport, communication means, man power and resources to secure often very remote areas. The four vessels that the MEEF obtained to improve coastal controls have not been deployed because no operational funding was allocated by the Government.
14. Madagascar has been collaborating since 2017 with the Centre de Fusion de l'Information Maritime (CFIM), based in Antananarivo, in order to discover and monitor suspected movements of ships along the coasts of Madagascar. In combination with informant networks and enforcement actions on the ground, this led to three successful interventions in 2017 (and one alert that was launched during the Secretariat's mission in the Sava region). The Secretariat also learned of a failed intervention, apparently because the traffickers and the suspected ship had been alerted of upcoming inspections.
15. During the last two years, measures have been adopted whereby regional staff of the MEEF, gendarmerie, military and prefecture suspected to have been involved in the trafficking of rosewood or ebony can be removed and replaced. An example was given of a post that had been occupied consecutively by four different staff for this reason. These measures put significant pressure on local officials, particularly in regions heavily affected by illegal logging, stockpiling and trade, such as Sava and Analanjirofo, and could be demotivating or create disincentives to act upon suspected offenses if not well managed. Most local officials encountered during the mission expressed anxiety about the situation, and urged the Secretariat to help resolve the rosewood crisis by eliminating or selling the stockpiles.

Seizures overseas

16. Very little information could be obtained concerning the actions that Madagascar is undertaking to investigate the possible involvement of Malagasy individuals in the large overseas seizures of Malagasy *Dalbergia* spp. and *Diospyros* spp that have taken place since their 2013 inclusion in CITES Appendix II. These concern seizures in China, Hong Kong SAR, Mozambique, Singapore, Sri Lanka and the United Republic of Tanzania (see also document SC66 Doc. 46.1). Concerning the confiscations in Singapore and Sri Lanka, the Secretariat learned that inquiries by Malagasy authorities into the involvement of locals had remained inconclusive to date.
17. In the case of the seizure in Singapore, Madagascar seems to concentrate most of its efforts on attempting to recover revenue from an eventual auction of the 3,372 tons of rosewood that were confiscated by Singaporean authorities in March 2014. Just prior to the mission of the Secretariat, Malagasy authorities issued in October 2017 arrest warrants for three Malagasy suspects believed to be involved in the smuggling attempt, i.e. three years after the seizure. Madagascar reports to the Standing Committee that it wrote to the countries where large seizures took place with the objective of recovering money that would be generated by selling these confiscated stocks, and using part of the revenues to fund the implementation of Decision 17.204 in Madagascar. However, the Secretariat is of the view that it would be important for the Malagasy authorities to obtain the collaboration from these countries to investigate and prosecute those involved in rosewood and ebony trafficking in Madagascar.

General observations

18. As already noted by the Wildlife Incident Support Team (WIST) of the International Consortium on Combating Wildlife Crime (ICWC) in 2015 and the United Nations Office on Drugs and Crime (UNODC) in 2016, there is an overall impression, supported by a reduction in trafficking incidents, that the smuggling activities involving the illegal export of large volumes of rosewood have lessened in scale and intensity over the last two years. This may be due to a combination of factors, including: increasing international awareness of the CITES listings of *Dalbergia* spp. and *Diospyros* spp.; enhanced risks of confiscations and losing investments; better controls in Madagascar, e.g. of movements of ships and on the ground; harsh measures taken by Madagascar against suspected local officials; and economic developments in Madagascar (possibly

favouring other commodities than rosewood), and market evolutions in Asia (possibly targeting rosewoods from alternative origins). It is however also possible that presently unknown, new smuggling techniques or routes are being used. This could be facilitated by the presence in the country of large, uncontrolled 'declared' and 'undeclared' stockpiles of rosewood and ebony.

19. It remains unclear whether the investigations and prosecutions in Madagascar are sufficiently targeted and effective to dismantle the trafficking networks, and deter the so-called 'rosewood barons'. As such, the Malagasy Government could be encouraged to send clear signals that it is pursuing the organised crime behind the rosewood trafficking, and taking decisive actions in this regard by focusing investigations on all those involved in the large seizures mentioned above.
20. The Secretariat notes that MEEF and relevant law-enforcement agencies [Primature, gendarmes, police, customs, judiciary, SAMIFIN (Service de Renseignements Financiers) and BIANCO (Bureau Indépendant Anti-Corruption)] reviewed the recommendations of UNODC concerning wildlife and forest crime, conducted in the framework of a national ICCWC assessment in 2016, and forwarded the validated version to UNODC in August 2017. The ICCWC assessment addresses broad enforcement issues, but its recommendations concerning precious timbers are very pertinent, and their execution would significantly enhance the implementation of Decision 17.204, paragraph e), and recommendation a), i) of the Standing Committee.

Findings of the Secretariat on the implementation of Decision 17.204, paragraph f) and recommendation a), ii): submitting an audited inventory of at least a third of the stockpiles of logs, sawn wood and veneer sheets of *Dalbergia* and *Diospyros* from Madagascar, and a use plan

Submit regular updates on audited inventories of at least a third of the stockpiles

21. An inter-ministerial committee, involving 12 ministries, has been created in Madagascar to coordinate the tidying up of the precious timber sector in 2016 and 2017. The goal is to achieve a "zero-stock" situation, with zero tolerance for illegal rosewood or ebony trade. The committee established a Secrétariat Exécutif (SE BDR) to ensure liaison with the Prime Minister's office, coordinate all activities relating to the clean-up of the rosewood and ebony sectors, implement decisions taken by the committee, and inventory, mark and secure all seized and declared ebony and rosewood stockpiles in Madagascar.
22. In order to determine what "at least a third of stockpiles of logs, sawn wood and veneer sheet of *Dalbergia* spp. and *Diospyros* spp. from Madagascar" means, Madagascar has collated updated information on the estimated amounts of rosewood (*Dalbergia* spp.) and ebonies (*Diospyros* spp.) that are being stockpiled in the country, as indicated in the table below. This should help to clarify what quantities correspond to "at least one third of the stockpiles". The new figures were collated or estimated in May 2017 by the SE BDR, and form the basis for undertaking subsequent stock inventories and audits. They reflect higher estimated levels of seized and declared rosewood and ebony stockpiles than what had been reported to the Standing Committee previously [in document SC67 Doc. 19.2 (Rev. 1), Madagascar reported that its rosewood and ebony stockpiles totalled 302,693 logs]. The updated estimations show a total of 330,319 logs (323,602 rosewood logs; 6,717 ebony logs), 589,344 pieces of sawn wood (450,409 rosewood; 138,935 ebony), 1,774 kg of ebony; and 10 containers with an unknown content. No stockpile information is provided concerning palisander (*Dalbergia* spp.), noting that this is mostly - but not exclusively - used for domestic trade.

| Stocks of precious timber | Volume | Location | Proposed actions in use plan |
|---|---|---------------------------------------|---|
| Stocks under Government control (seized) | - 28,666 logs of rosewood | 11 regions in Madagascar | To be re-inventoried; audit initiated by SGS to be completed; auctioned. |
| Stocks in private hands that were “declared” in 2011¹ | - 294,936 logs of rosewood + 6 containers [content not yet known] - 6,717 logs of ebony wood - 450,409 plaquettes [sawn wood] + 1,774 kg of ebony wood - 138,935 plaquettes [sawn wood] of rosewood + 4 containers [content not yet known] | 7 regions in Madagascar (90% in Sava) | Possession illegal. To be inventoried, brought under Government control (following compensation schemes) and auctioned. |

23. **Seized stock** are currently under the control of the Government. The latest data indicate a stock of 28,666 logs, of which 27,725 (97%) were inventoried, marked and secured in 2015-16, and 17,211 (62%) audited by the private security firm SGS. The quality of the seized timber is generally lower than that of the ‘declared’ privately owned stocks. It has been suggested that stocks, once confiscated, were ‘manipulated to replace good logs with poor quality timbers’.
24. Law no 2015-056² prohibits the possession and stockpiling of rosewood and ebony (as well as any harvesting, cutting, exploitation, transport, commercialisation or exportation). For the **declared stockpiles**, the business plan proposes the determination of the exact volumes and qualities involved; inventorying and securing the stocks; arranging for their seizure/acquisition by the Government involving compensation schemes; and subsequent sales.
25. In addition to (confiscated) stocks under Government control and stocks known to have been “declared” in 2011, an unknown number of **undeclared, hidden stocks** of rosewood and ebony are suspected to be retained in the country. Estimations range from ‘a few’ to 2 million logs. Most stocks would be kept in hiding in the north-eastern regions of the country. Possession of such stocks is illegal (see paragraph 24). The use plan foresees that illegal stocks be located and seized by the Government, and auctioned. Owners are to be prosecuted in accordance with national laws.
26. By mid-November 2017, the budgets for initiating the inventories of the confiscated and declared rosewood and ebony stockpiles had not been released yet. These budgets had been agreed by the Government in December 2016. It seems that the inventories will be undertaken by the Executive Secretary of the SE BDR and his team, accompanied by technicians from the Direction Générale des Forêts, and regional members of the stock management commission. During the mission, assurances were given to the Secretariat that stock inventories, audits and auctions could be conducted in the presence of external observers from BIANCO, civil society, and interested intergovernmental organizations, non-governmental organizations or donor agencies, but how this will be ensured in practice remains unclear.

Use plan for Madagascar’s stockpiles of rosewood and ebony

27. Madagascar has submitted a comprehensive and detailed use plan to the Standing Committee for its consideration, approval and further guidance [Annex 4 of document SC69 Doc. 49.2 (Rev. 1)]. The use plan describes a mechanism to verify stockpiles of *Dalbergia* spp. and *Diospyros* spp., and a business plan to manage these stocks and dispose of them through a system of auctions and sales. Madagascar states that the use plan was developed bearing in mind the CoP17 Decisions and Standing Committee’s recommendations.

¹ In 2009 and 2010, during periods of government instability, significant amounts of precious timbers – particularly *Dalbergia* spp. – were obtained through illegal or uncontrolled logging activities in northern and north-eastern Madagascar. In 2011, operators and traders were invited to declare stocks of cut rosewood and ebony in their possession. Over hundred declarations ‘on the honor’ were received. These declared stocks have been verified or accounted for to date. The source and legal origins of the timber involved are mostly unclear. The very large majority of the declared stockpiles are situated in Sava (north-east region of the country).

² Loi no 2015-056 portant création de la “chaîne spéciale de lutte contre le trafic de bois de rose et/ou de bois d’ébène” et répression des infractions relatives aux bois de rose et/ou bois d’ébène.

28. The overall goal of the use plan is to reach a “zero stock” objective, as articulated by the Government of Madagascar. Many stakeholders in Madagascar agree that the development and implementation of viable, sustainable forestry management strategies for the country’s precious timbers require that the many dubious timber stockpiles be brought under control. Their removal is widely recognised as the best way forward for addressing the “rosewood crisis that destabilized Madagascar”. The use plan favours the option to inventory and secure seized and ‘declared’ stockpiles, and gradually eliminate them through sales under the auspices of the Government of Madagascar (and oversight bodies, including CITES). Depending on the quality, quantity and species, timber would be sold to local or overseas markets.
29. The use plan’s stock verification mechanism and business plan contain: inventory systems that can be audited; budgets; asset evaluation and monitoring; risk analyses; structures to manage sales; deliverables over time; security methods; and a structure to reinvest funds. All processes should be transparent and controllable. Many aspects relating to the inventories and organisation of the auctions are covered, including ways to address legal, social, economic and environmental challenges. The plan contains for example technical details on the proposed sales (market trends, price estimations, potential buyers, etc.) based on models from countries that experienced similar stockpile issues (Guatemala and India).
30. The use plan is to be deployed in two “phases”:
- Phase 1: Verify the volume and quality of the stocks of seized and declared rosewood and ebonies, including controls and marking; complete an audited inventory of at least one third of the volume [step 1: re-verification of seized stockpiles; step 2: verification of 1/3rd of the declared stocks, with incentive and compensation schemes; step 3: verification of remaining 2/3rd of declared stocks]; obtain the agreement from the Standing Committee to sell these audited stocks.
 - Phase 2: Establish a system to sell off rosewood and ebony, and proceed with sales; use part of the generated funds to inventory and secure the remaining 2/3rd of the declared stocks; strive to arrive at a ‘zero-stock’ situation through further sales.
31. The proposed time frame, expected to start in August 2017, is as follows:
- Phase 1 [inventories steps 1 and 2]: five months
 - Phase 2 [sales]: six months
 - Continuation of inventory and verification of 2/3rd of the declared stocks, followed by their sales: 12 months

Secretariat’s rapid assessment of the use plan

32. The overarching approach in the use plan to resolve the stockpile crisis through transparent, tightly controlled sales for domestic and international markets takes into consideration the social and economic realities on the ground in Madagascar, and addresses many important aspects in this regard.
33. However, the use plan may be over-optimistic in some of its expectations, and important organisational and resource mobilisation questions remain to be resolved. Issues to consider further include the following:
- **Timing issues:** The proposed timeframes are not, or no longer, realistic. At the time of writing (November 2017), the stock inventories that were scheduled to run from September to December 2017 had not started. It also seems unrealistic to expect that the ‘declared’ stocks can be accounted for in 2 months, and that at least one third can be marked, audited and secured within that time frame. For the Standing Committee to review the results of the inventories and the preparatory work leading up to eventual auctions, and to consider whether exports could take place, it would be preferable to organize any sales after the 70th meeting of the Standing Committee.
 - **Budget and resource issues:** The funds for covering the initial phases of the use plan (i.e. the verification mechanism and stockpile inventories), estimated at 8,153,500 USD, are not fully secured (in December 2016, the Madagascar Government allocated 240,000 USD for this exercise). The same is the case for the subsequent organisation of auctions and sales (321,500 USD). The Government of Madagascar seems to expect that the use plan will be mostly financed by external donors. In this regard, Madagascar could reach out for financial support to the countries that the use plan identifies as potential markets for, and importers of Madagascar’s rosewood and ebony (principally China, but also several countries in the European Union, Japan and the United States of America). The Government of

Madagascar also appears to count on receiving funds for implementing the use plan from countries that confiscated large shipments of illegal Malagasy rosewood, and would auction these seized goods (see paragraph 17). However, as such auctions may not take place in the foreseeable future, and allocations of eventual revenues remain unknown, this may not be a particularly viable option.

- **Controls, oversight and monitoring issues:** Inventories and sales should be coupled to (i) stringent enforcement actions to prevent laundering and manipulation of stocks; (ii) a robust, independent and transparent mechanism to ensure that the generated funds are allocated correctly; and (iii) monitoring to assess the impacts of any sales on illegal logging and timber trafficking activities. These issues could be better emphasized or developed in the use plan.
 - **Transparency issues:** The role of national agencies and organisations, including members of civil society, and of international bodies in monitoring or accompanying the deployment of the stockpile verification mechanism and the business (or sales) plan should be clarified. To enhance transparency, consideration could be given to, for example, documenting the various stocks, stages and operations, and mediatizing the activities that the Government takes in this regard.
 - **Cooperation issues:** Finally, the role of the international community and of the CITES Standing Committee and Secretariat, in particular, would need to be clearly articulated.
 - **Pending issues:** The use plan clarifies that some aspects remain to be decided, such as the most appropriate compensation and incentive schemes; the most effective ways to mark and secure logs; and the best auction strategies over time.
34. The Secretariat is of the opinion that several components of the use plan (the verification mechanism and business plan) need to be finalized, and others could be revised or strengthened. These include: allocation of potential revenues (the distribution key needs revision, *inter alia* to cover costs of compensations and follow-up inventories); clarification of oversight mechanisms for the control and dispersal of generated finances (establishment of a dedicated, well-controlled Fund?); the proposed timeframes; the scope and role of independent, external supervision; the enforcement aspects relating to the operations; and the monitoring of possible impacts of any sales on illegal logging and timber trafficking.
35. For the use plan to succeed, the Standing Committee will need to agree that: the provisions in Decision 17.204, paragraphs e) and f) have been complied with; the use plan can be approved and the conditions for a partial sale of audited stockpiles are in place; and the current recommendation to suspend commercial trade from Madagascar in *Dalbergia* spp. and *Dyospiros* spp. be lifted (conditionally, partially or totally). As indicated in paragraphs 33 and 34, the Secretariat is of the opinion that the use plan submitted by Madagascar is well-prepared, but requires strengthening and clarifications in certain areas, and that the resource issues and proposed timeframes need to be further addressed. As directed in Decision 17.208, the Secretariat is ready to assist Madagascar in this regard.

Further considerations

36. The long-term perspectives for improving and restructuring Madagascar's trade in CITES-listed trees look reasonably positive, particularly once the stockpile issues have been dealt with. There is genuine scope for implementing the activities Madagascar is directed to undertake in accordance with Decision 17.204 with the assistance of international bodies such as CITES, the Food and Agriculture Organization of the United Nations (FAO), the European Union-FAO Forest Law Enforcement, Governance and Trade Programme (FLEGT), the International Tropical Timber Organization (ITTO) and ICCWC. These include undertaking the necessary research to make non-detriment findings; building capacity; revising current forestry practices and reinforcing regulations in favour of sustainability and biodiversity conservation; and strengthening enforcement and controls. What may be most needed to ensure this transition is strong political will to end the "rosewood crisis" by fully supporting the implementation of the use plan, allocating the necessary resources to the Ministries and government agencies concerned, and demonstrating 'zero tolerance' towards those involved in illegal logging and trafficking in precious CITES-listed timbers in Madagascar.
37. Concerning *finished products of Dalbergia spp. that were produced, packaged, ready for retail trade and duly registered and authorized for export in Madagascar prior to 2 January 2017*, the Secretariat established during its mission that none of these specimens had been exported to date, and that the CITES Management Authority had not issued any pre-convention certificate. The Secretariat was not shown finished products of *Dalbergia* spp. that correspond to the definition indicated above, but is aware that stockpiles of such products exist in the country (visits had to be cancelled for sanitary reasons).

38. Concerning the disposal of CITES-listed rosewood and ebony consignments originating in Madagascar and confiscated outside that country, the Standing Committee, at its 66th meeting, drew the attention of Madagascar and relevant Parties to the options outlined in paragraph 35 of document SC66 Doc. 46.1, and particular option a) (“*In the view of the Secretariat, one-time auctions could take place if the proceeds from such auctions could be placed into a secure and well managed trust fund, created and administered by the Secretariat, for instance, in consultation with the Party that made the seizure, and for the dedicated purpose of supporting the implementation of CITES in Madagascar.*”). If upon an auction the acquirer seeks to re-export the timber, paragraph 8 c) of Resolution Conf. 17.8 on *Disposal of illegally traded and confiscated specimens of CITES-listed species* needs to be taken into consideration.

Recommendations

39. The Standing Committee is invited to consider the following recommendations:

The Standing Committee:

Concerning Decision 17.204, paragraph e)

- a) notes the progress that Madagascar has made in strengthening control and enforcement measures against illegal logging and export, and recommends that these efforts be continued and expanded, as observed in paragraphs 19 and 20 of the present document;
- b) invites countries that seized large consignments of CITES-listed rosewood and ebony originating in Madagascar to share information in support of investigations and prosecutions in Madagascar; and to request the assistance from ICCWC in undertaking these investigations;

Concerning Decision 17.204, paragraph f)

- c) notes that, to date, there is no audited inventory of at least a third of the stockpiles of logs, sawn wood and veneer sheets of the species of *Dalbergia* and *Diospyros* in Madagascar, and encourages Madagascar to undertake these inventories and audits in a transparent and controlled manner;
- d) welcomes the use plan in Annex 4 of document SC69 Doc. 49.2 (Rev. 1), but considers that it cannot be approved at present, and requests the Secretariat to continue working with Madagascar and its partners to revise and finalize it, particularly with respect to the observations made in paragraphs 33 and 34 of the present document;

Conclusions

- e) therefore agrees to maintain the recommendation for Parties not to accept exports or re-exports for commercial purposes from Madagascar of specimens of *Diospyros* spp. (populations from Madagascar; annotation #5) and *Dalbergia* spp. (annotation #15) until Madagascar has complied with the provisions in Decision 17.204, paragraphs e) and f), by:
 - i) significantly strengthening control and enforcement measures against illegal logging and export at the national level, including seizures, investigations, arrests, prosecutions, and sanctions;
 - ii) submitting an audited inventory of at least a third of the stockpiles of logs, sawn wood and veneer sheets of species of *Dalbergia* spp. and *Diospyros* spp. from Madagascar for consideration and approval of the Committee; and
 - iii) submitting a use plan that is revised as recommended in paragraph d), for consideration and approval of the Committee; and
- f) requests the Secretariat to report on progress made by Madagascar with the implementation of paragraphs e) and f) of that Decision at the 70th meeting of the Standing Committee.

**Decisions on Malagasy ebonies (*Diospyros* spp.),
and palisanders and rosewoods (*Dalbergia* spp.)**

Directed to source, transit and destinations Parties for Malagasy Diospyros spp. and Dalbergia spp.

17.203 *Source, transit and destination Parties for specimens of species of the genera Dalbergia and Diospyros occurring in Madagascar are urged to:*

- a) *enforce all the measures that are recommended by the CITES Standing Committee concerning commercial trade in specimens of these species from Madagascar, including suspensions of such trade;*
- b) *develop action plans to effectively manage timber stockpiles of Dalbergia spp. and Diospyros spp. from Madagascar; and*
- c) *provide written reports describing progress made with implementation of paragraphs a) and b) of this Decision to the Standing Committee.*

Directed to Madagascar

17.204 *Madagascar shall:*

- a) *continue to develop an inclusive process to identify the main commercially valuable species in these genera from Madagascar, in cooperation with transit and destination Parties, the CITES Secretariat and relevant partners, such as the International Tropical Timber Organization (ITTO), the International Consortium on Combating Wildlife Crime (ICWC), the Food and Agriculture Organization of the United Nations (FAO) and other intergovernmental and non-governmental organizations concerned with trade in timber of rosewood, ebonies and palisanders;*
- b) *for those species identified under paragraph a) establish, in collaboration with the CITES Secretariat, a precautionary export quota based upon a scientifically robust non-detriment finding;*
- c) *subject to the availability of funds, organize workshops in support of the implementation of paragraphs a) and b) of this Decision, and to strengthen the national capacity to formulate non-detriment findings, and identify and agree on monitoring mechanisms that include appropriate technology (e.g. timber tracking);*
- d) *continue the production of identification materials for identifying timber and timber products of species of the genera Dalbergia and Diospyros from Madagascar;*
- e) *for those species identified under paragraph a), significantly strengthen control and enforcement measures against illegal logging and export at the national level including seizures, investigations, arrests, prosecutions, and sanctions;*
- f) *submit regular updates on audited inventories of at least a third of the stockpiles of species of Dalbergia and Diospyros from Madagascar, and a use plan for consideration, approval and further guidance from the Standing Committee; and*
- g) *provide written reports on progress with the implementation of paragraphs a) to d) of this Decision to each meeting of the Plants Committee; on progress with the implementation of paragraphs e) and f) of this Decision to the Standing Committee; and on progress with the implementation of this Decision to the Conference of the Parties at its 18th meeting.*

Directed to Parties

17.205 *Parties and relevant partners indicated in Decision 17.204 paragraph a) are invited to:*

- a) *provide technical and financial assistance to support the implementation of Decisions 17.203 to 17.208;*
- b) *provide technical and financial assistance in support of conducting audited inventories of Dalbergia spp. and Diospyros spp. from Madagascar; and*
- c) *provide reports to the Standing Committee, including information received from relevant partner organizations, concerning progress with the implementation of paragraphs a) and b) of this Decision.*

Directed to the Plants Committee

17.206 *The Plants Committee shall:*

- a) *review and assess reports from Madagascar on its implementation of Decisions 17.204 paragraphs a) to d), and from the Secretariat on the implementation of Decision 17.208, and provide recommendations to Madagascar and the Standing Committee and other bodies as appropriate;*
- b) *continue supporting the preparation of a standard reference for the names of species of the genera Diospyros and Dalbergia occurring in Madagascar, to be adopted, if appropriate, at the 18th meeting of the Conference of the Parties; and*
- c) *assist Madagascar in the identification of technical resources in support of the implementation of Decisions 17.204 paragraphs a) to d), and if needed, make recommendations to Madagascar, Standing Committee and other relevant organizations.*

Directed to the Standing Committee

17.207 *The Standing Committee shall review and assess reports from Madagascar on the implementation of Decision 17.204 paragraph e) and f), and from the Secretariat on the implementation of Decision 17.208, and make recommendations, which may include appropriate compliance measures and an assessment as to whether the conditions for a partial sale of audited stocks are in place, in accordance with the criteria established in Decision 17.204, paragraphs e) and f).*

Directed to the Secretariat

17.208 *The Secretariat shall:*

- a) *assist Madagascar, relevant Parties, and the Standing and Plants Committees in the implementation of Decisions 17.203 to 17.207;*
- b) *subject to available funding, assist with relevant capacity-building activities in Madagascar and transit and destination countries concerned by the trade in specimens of Diospyros spp. and Dalbergia spp. from Madagascar, including through international capacity building workshops; and*
- c) *provide written reports on progress with the implementation of this Decision to the Plants Committee and the Standing Committee, as appropriate.*