

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



Seventy-fourth meeting of the Standing Committee
Lyon (France), 7 - 11 March 2022

Interpretation and implementation matters

General compliance and enforcement

Compliance matters

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

REPORT OF THE SECRETARIAT

1. This document has been prepared by the Secretariat.

Introduction

2. At its 18th meeting (CoP18, Geneva, 2019), the Conference of the Parties adopted Decisions 18.98 and 18.99 as follows:

18.98 Directed to the Standing Committee

The Standing Committee shall, at its 73rd and 74th meetings:

- a) *Review reports from Madagascar and the Secretariat on the implementation of Decisions 18.96 and 18.97, and make recommendations to Madagascar, relevant Parties and the Secretariat as appropriate, and take measures in accordance with Resolution Conf. 14.3 (Rev. CoP18) on CITES compliance procedures if Madagascar fails to satisfactorily implement the actions directed to it in Decision 18.96; and*
- b) *consider establishing a small intersessional advisory group of Parties to assist and advise Madagascar on the implementation of all measures regarding *Dalbergia* spp. and *Diospyros* spp.*

18.99 Directed to the Secretariat

The Secretariat shall:

- a) *assist in the implementation of Decisions 18.94 to 18.97;*
- b) *subject to external funding, assist with relevant capacity-building activities in Madagascar and transit and destination countries concerned by the trade in specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar;*
- c) *issue a Notification calling on potential destination countries, of shipments of illegal specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar to take appropriate*

measures to ensure that such timber is not illegally transported or traded, including prohibiting entry, seizing such specimens upon arrival and apply appropriate sanctions against traffickers in accordance with the provisions of the Convention; and

d) *provide reports on progress with the implementation of this Decision to the Plants Committee and the Standing Committee, as appropriate.*

3. The present document reports on progress made in the implementation of Decision 18.99 directed to the Secretariat, in accordance with paragraph d) of the Decision.
4. In the light of the disturbances associated with the COVID-19 pandemic, this document is submitted to the Standing Committee for its 74th meeting instead of its 73rd meeting as initially planned.

Context

5. At the 16th meeting of the Conference of the Parties (CoP16, Bangkok, 2013), the genera *Diospyros* spp. and *Dalbergia* spp. (populations of Madagascar) were included in CITES Appendix II with an annotation restricting the listing to "*logs, sawn wood and veneer sheets*" (annotation #5). To facilitate the implementation of the measures implied by the inclusion of these species in Appendix II, the Conference of the Parties also adopted Decision 16.152 and a related action plan.
6. Among these measures, Madagascar was asked to put in place an embargo on the export of stockpiles of wood of these species until the Standing Committee had approved the results of a stockpile audit and use plan to determine which part of the stockpile had been legally accumulated and could therefore be legally exported. Consequently, Madagascar set a zero export quota for specimens of *Diospyros* spp. and *Dalbergia* spp. between 13 August 2013 and 15 January 2016 (Notification to the Parties No. 2015/029). On 31 December 2014, Madagascar sent a letter to the Secretariat containing the "Use plan for precious timbers from Madagascar", in accordance with recommendation j) made at the 65th meeting of the Standing Committee (SC65, Geneva, July 2014 – document SC65 SR, paragraph 48).
7. Despite the setting of this zero export quota, significant concerns were raised regarding the ongoing illegal harvest and export of these species. In this context, at its 66th meeting (SC66, Geneva, January 2016), the Standing Committee recommended that all Parties suspend commercial trade in specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar until the country meets the requirements under point 5 of the Action Plan adopted at CoP16, and recommendations b) and c) adopted at its 65th meeting (SC65, Geneva, July 2014 – document SC65 SR, paragraph 48). This recommendation to suspend commercial trade of *Diospyros* spp. (populations of Madagascar; annotation #5) and *Dalbergia* spp. (annotation #15) has been upheld since then and is still in force (Notification to the Parties No. 2018/007).
8. At its 67th meeting (SC67, Johannesburg, September 2016), the Standing Committee asked Madagascar to prepare an audit and use plan of at least one third of the stockpile to determine which volume of the stockpile of *Dalbergia* spp. and *Diospyros* spp. had been legally accumulated and could therefore be legally exported (documents SC67 SR – paragraph 19 and SC67 Doc. 19.1). In 2015, Madagascar began an audit of 'seized' stockpiles¹ in cooperation with the World Bank and with funding from the French Development Agency (AFD). In 2017, inventories of 'declared' wood² were made by the Executive Secretariat (ES) of the Interministerial Committee (COMINT) – the body in charge of reforming the precious woods sector. These two activities made it possible to conduct the inventory of one sixth of the stockpile. It was not possible to meet the recommendation by the Standing Committee to prepare an audit and use plan of at least one third of the stockpile, and the coding and marking system established at the time for the traceability of stockpiles was not reliable enough to ensure a sufficient level of security.
9. At the 17th meeting of the Conference of the Parties (CoP17, Johannesburg, 2016), new Decisions were adopted (i.e., Decisions 17.203 to 17.208) which included most of the measures of the Action Plan and provided more specific guidance to Madagascar, the Parties, the Standing Committee, the Plants Committee and the Secretariat.
10. At the 69th meeting of the Standing Committee (SC69, Geneva, November 2017), Madagascar submitted a new proposal for a use plan of the stockpiles entitled *Stockpile Verification Mechanism and Business Plan*, which included a technology for the traceability of wood (Annex 4 of SC69 Doc. 49.1). The Standing

¹ See paragraph 21 for the definition of stockpiles of seized wood.

² See paragraph 21 for the definition of stockpiles of declared wood.

Committee considered that several points of this document needed to be strengthened or clarified before they could be adopted (document SC69 SR).

11. At the 70th meeting of the Standing Committee (SC70, Sochi, October 2018), Madagascar presented a new version of the use plan entitled *Stockpile Verification Mechanism and Business Plan* (SC70 Doc. 27.5.1 A3). At the end of its 70th meeting, the Standing Committee considered that the Business Plan could not be approved in its current form and needed to be strengthened and revised. However, it approved Steps 1 and 2 of Phase 1 of the Business Plan and encouraged Madagascar to implement them (document SC70 SR – paragraph 27.5).
12. At the 71st meeting of the Standing Committee (SC71, Geneva, August 2019), Madagascar confirmed that the authorities did not intend to sell the stockpiles of *Dalbergia* spp. and *Diospyros* spp. unless they could control the risk of any sales increasing illegal logging, and had sufficient administrative capacity to ensure forest controls (document SC71 SR – paragraph 14).
13. At its 18th meeting (CoP18, Geneva, 2019), the Conference of the Parties reviewed the Decisions made at CoP17 and adopted Decisions 18.94 to 18.99 on *Malagasy palisanders and rosewoods* (*Dalbergia* spp.) and *ebonies* (*Diospyros* spp.).
14. At its 72nd meeting (SC72, Geneva, August 2019), the Standing Committee established an Intersessional Advisory Group (IAG) at the request of Madagascar to assist and advise Madagascar on the implementation of measures taken in the framework of CITES on *Dalbergia* spp. and *Diospyros* spp. (document SC72 SR). The IAG is composed of the following members: Madagascar (Chair), the European Union, Ireland, Kenya, Morocco, Nepal, Nicaragua, Thailand and the United States of America.

Report of the Secretariat on the implementation of Decision 18.99

Regarding paragraph a) of Decision 18.99

15. Paragraph a) of Decision 18.99 instructs the Secretariat to assist in the implementation of Decisions 18.94 to 18.97. It should be noted that the objectives of Decisions 18.94, 18.95 and 18.97 always refer to the implementation of Decision 18.96. The assistance provided by the Secretariat for the implementation of these Decisions is reported globally in the following paragraphs.
16. On 13 May 2020, the Secretariat sent a letter to Ms. Vahinala Raharinirina, the Minister of the Environment and Sustainable Development of Madagascar, to give a boost to the Intersessional Advisory Group (IAG) and start the discussions in this framework. Subsequently, the Secretariat provided technical and financial assistance to Madagascar for the development of the terms of reference of the IAG and the organization of online discussions (through the KUDO platform) with simultaneous interpreting. The IAG met on three occasions: on 15 July 2020 to discuss the scientific aspects of Decision 18.96 [paragraphs a) to d)], and on 8 October 2020 and 18 October 2021 to discuss governance aspects [paragraphs e) to g)] of that Decision.

First meeting of the Intersessional Advisory Group: Progress made in 'scientific' aspects

17. The latest progress made in **scientific aspects** was presented by Madagascar at the 25th meeting of the Plants Committee (PC25, online, June 2021). Madagascar highlighted the discussions held in the framework of the IAG. It also mentioned the creation of a reference collection for Malagasy precious woods and studies on how to make non-detriment findings for *Dalbergia lemurica* and *D. suaresensis* and on timber identification. The aim of all this work is to support the sustainable management of Malagasy palisanders and rosewoods and ebonies (PC25 Doc. 16.1).
18. At that meeting, the Secretariat provided an oral update on the implementation of Decision 18.99. It noted great progress with the application of paragraph a) of this Decision on assisting Parties and Madagascar with the implementation of Decisions 18.94 to 18.97. However, it noted minor progress with the application of paragraph b) related to capacity-building activities in Madagascar and transit and destination countries concerned by the trade in specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar due to a lack of external funding. The Plants Committee took note of document PC25 Doc. 16.1. and of the oral update provided by the Secretariat (document PC25 SR, paragraph 16).

Second and third meetings of the Intersessional Advisory Group: Progress made in 'governance' aspects

19. At the time of drafting the present document, the Secretariat is still waiting for the report from Madagascar to present the progress made in **governance aspects**.
20. Le Secretariat has mobilized significant technical resources to assist Madagascar with the implementation of paragraph f) of Decision 18.96. Specifically, numerous online meetings have been organized between the Secretariat and Madagascar, and also with its partners (i.e., World Bank, International Tropical Timber Organization – ITTO –, United Nations Food and Agriculture Organization – FAO) to take stock of the situation and try to identify and remove the obstacles to the implementation of this Decision.
21. As a reminder, the *Stockpile Verification Mechanism and Business Plan* presented at the 70th meeting of the Standing Committee (SC70, Sochi, October 2018) distinguishes between three types de stockpiles (document SC70 Doc. 27.5.1 A3):
 - a) **'officially controlled' stockpiles**, also known as **'stockpiles of seized wood'**, comprised of rosewood and ebony seized by the forest authorities as a result of controls of timber operations or illegal exports before 2015. These stockpiles were inventoried and marked by the Government in 2015 (through a barcode system) and remain under its control in several regions of the country. They comprise around 28,666 logs, that is, 3,200 m³, which are equivalent to about 188 containers.
 - b) **'uncontrolled declared wood' stockpiles**, composed of rosewood and ebony. These stockpiles were constituted on the basis of the declarations made by private owners under Ordinance 2011-001 of 8 August 2011, following the Government's decision to ban the exploitation and export of these species. At the time, the Ordinance established that anybody in possession of these timber species had to declare them to the authorities in each region within 30 days from the publication of the Ordinance. These stockpiles are estimated to comprise a total of 301,653 logs, 10 containers, 589,344 planks and 1,774 kg of ebony.
 - c) **'non-compliant and undeclared' stockpiles**, also known as **'hidden stockpiles'**. These stockpiles are estimated to amount to 2 million logs of rosewood and ebony (SC70 Doc.27.5.1 A3). According to the Business Plan, once these stockpiles are found, they will be seized by the Government and will be the subject of prosecutions and appropriate legal action.
22. The *Stockpile Verification Mechanism and Business Plan* includes two phases with several steps each:
 - Phase 1: inventorying and marking the stockpiles;
 - Step 1: verifying, inventorying and marking the 'officially controlled' stockpiles (i.e., stockpiles of seized wood) by means of an adapted marking technology;
 - Step 2: inventorying and marking the 'uncontrolled declared wood' stockpiles;
 - Step 3: implementing the compensation programme for 'uncontrolled declared wood' stockpiles;
 - Step 4: preparing Phase 2;
 - Phase 2: developing a system for selling the stockpiles.
23. At the second meeting of the IAG (October 2020), the Minister of the Environment reported that the Government of Madagascar wished to use the 'officially controlled' stockpiles on a domestic level, specifically for building infrastructures, restoring public buildings (e.g., museums, material for schools) and for use by artisans. Depending on the capacity to absorb these stockpiles domestically, the Minister reported that part of these stockpiles could also be the subject of international trade and be exported respecting national and international regulations. At the end of the meeting, the members of the IAG invited Madagascar to prepare a written version of these statements by drawing up a road map for the future use of the stockpiles. At the request of Madagascar, the Secretariat provided technical support for the development of this road map.
24. The road map is aimed at organizing and prioritizing the implementation of the recommendations of the Standing Committee and the decisions of the Conference of the Parties in order to apply them pragmatically and in stages. It also presents a simplified work plan to implement Step 1 of Phase 1 of the Business Plan, with a view to use the 'officially controlled' stockpiles in the future on a domestic and international level.

Madagascar clarified that it intended to add to the management of these stockpiles that of the stockpiles of seized palisander wood, which represent a volume of 1,252 m³ according to the databases of the Regional Directorates of the Ministry of the Environment and Sustainable Development (MEDD). These stockpiles are currently controlled by the Government. They result from infringements detected after the genus *Dalbergia* spp. was listed in CITES in 2017 with annotation #15 (CoP17, Johannesburg, 2016). These palisander stockpiles were not included or mentioned earlier in the Business Plan, given that the preceding infringements and managed stockpiles specifically concerned rosewoods and ebonies, whose total volume amounted to 3,200 m³. Once Step 1 of Phase 1 of the Business Plan has been completed, the road map establishes that Madagascar will draw the necessary conclusions to adapt it to the implementation of Step 2 of Phase 1, which refers to the management of the 'uncontrolled declared wood' stockpiles.

25. To prepare the domestic – and possibly international – use of the 'officially controlled' stockpiles, a project to support the implementation of the use plan for stockpiles of precious woods, henceforth referred to as 'supporting project' (*Projet d'appui à la mise en œuvre du plan d'utilisation des stocks de bois précieux*) was signed in 2019 between the Ministry of the Environment and Sustainable Development of Madagascar (MEDD) and the ITTO. The specific objective of this project was to inventory and mark part of the 'officially controlled' stockpiles in two regions (i.e., Boeny and Menabe) using an adapted marking technology. The implementation of this project was delayed because the funds were blocked for almost two years due to errors in the postings of the bank account. The Secretariat helped Madagascar organize two online meetings with the ITTO, the World Bank and FAO on 22 April and 11 December 2020. These meetings allowed the partners to coordinate among themselves and take the necessary measures to unblock the funds. In fact, Madagascar reported having received most of the funds in April 2021 (USD 80,000). A part of the funds (USD 20,000) has not yet been transferred by the ITTO.
26. After that, the Secretariat provided technical assistance to Madagascar for the development of a questionnaire addressed to the companies that distribute marking systems in order to select a system adapted to the needs of the country. At the request of Madagascar, the Secretariat also revised the terms of reference of the consultants selected to implement the supporting project.
27. At the third meeting of the IAG (October 2021), Madagascar presented an update of the activities conducted under the project to support the implementation of the use plan for stockpiles of precious woods and presented the road map for setting up the use plan for stockpiles of ebonies (*Diospyros* spp.) and palisanders and rosewoods (*Dalbergia* spp.). The Minister of the Environment also stated that the Government no longer intended to export the 'officially controlled' stockpiles, and that only domestic use was considered. These stockpiles would therefore be used to produce handicrafts with a view to selling them later to international tourists. In this regard, the Minister clarified that the requirements of annotation #15 would be met. As a reminder, annotation #15 excludes from Appendix II finished products of *Dalbergia* spp. to a maximum weight of wood of the listed species of up to 10 kg per shipment. In other words, no CITES documents would be required for exporting these objects from Madagascar separately if the transactions comply with the Convention and the conditions set by annotation #15. It was also explained that the proceeds of the sale of the 'officially controlled' stockpiles would be reinvested into the sustainable use of forests through the existing trust fund (i.e., the *Action en Faveur de l'Arbre* fund) until the forest fund already created becomes operational. At the end of that meeting, the members of the IAG concluded that it would be appropriate to rediscuss the management of the 'uncontrolled declared wood' stockpiles only after completion of Step 1 of Phase 1 of the Business Plan.

Regarding paragraph b) of Decision 18.99

28. Paragraph b) of Decision 18.99 instructs the Secretariat, subject to external funding, to assist with relevant capacity-building activities in Madagascar and transit and destination countries concerned by the trade in specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar.
29. Between 2013 and 2018, the Secretariat conducted several capacity-building missions to Madagascar in relation to the overall implementation of CITES and the Action Plan for *Diospyros* spp. and *Dalbergia* spp. adopted at the 16th meeting of the Conference of the Parties (CoP16, Bangkok, 2013):
 - a) Mission from 4 to 12 August 2013 – The mission had the following objectives: i) provide training to the Scientific Authorities of Madagascar in the making of non-detriment findings (NDFs); ii) organize with the competent authorities the implementation of Decision 16.152 and its Action Plan, in particular with the Steering Committee for the management of rosewood (*Comité de pilotage de bois de rose*); and iii) establish a solid cooperation with the Malagasy authorities to facilitate the implementation of the Action Plan.

- b) Mission from 27 May to 4 June 2014 – The mission had the following objectives: i) plan and organize, in cooperation with the Scientific Authority, a workshop on NDFs for these tree species, as called for in the Action Plan adopted at CoP16; ii) provide technical support to the Government of Madagascar for the overall implementation of this Action Plan; and iii) establish a cooperation between all the players involved and identify potential sources of funding for the future activities of the Action Plan.
 - c) Mission from 30 September to 8 October 2017: at the invitation of the Government of Madagascar and in accordance with the request of the Standing Committee, the Secretariat conducted a mission to assess the progress made in the implementation of Decision 17.204 and the recommendations formulated by the Standing Committee at its 67th meeting (Johannesburg, September 2016). On this occasion, the Secretariat also held discussions with the various players involved in the development and implementation of the *Stockpile Verification Mechanism and Business Plan*.
 - d) Mission in June 2018: following the request of the Standing Committee at its 69th meeting (SC69, Geneva, November 2017), the Secretariat continued to provide technical support to Madagascar and its partners for the review and completion of the Business Plan. The Secretariat specifically participated in a workshop organized by the authorities of Madagascar and the ITTO that made it possible to address the latest challenges for the completion of the Business Plan. Based on these discussions, Madagascar drafted a new version of the use plan, which was presented at the 70th meeting of the Standing Committee (SC70, Sochi, October 2018).
 - e) Madagascar also launched the implementation process of the Wildlife and Forest Crime Analytic Toolkit of the International Consortium on Combating Wildlife Crime (ICWC). This action addresses one of the recommendations of the ICWC Wildlife Incident Support Team (WIST) led by INTERPOL and deployed in Madagascar in March 2015 (see SC74 Doc. 33.3).
30. Because of a lack of external funding and the travel restrictions linked to the COVID-19 pandemic, no other capacity-building activities as such have been organized since then in Madagascar or in transit and destination countries concerned by the trade in specimens of *Diospyros* spp. and *Dalbergia* spp. from Madagascar.

Regarding paragraph c) of Decision 18.99

31. Le Secretariat published Notification to the Parties No. 2019/051 on 26 September 2019 inviting potential destination countries of shipments of illegal specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar to take appropriate measures to ensure that such timber is not illegally transported or traded, including prohibiting entry, seizing such specimens upon arrival and applying appropriate sanctions against traffickers in accordance with the provisions of the Convention.

Conclusions

32. Following the 18th meeting of the Conference of the Parties (CoP18, Geneva, 2019), the Secretariat mobilized significant technical resources to assist Madagascar with the implementation of Decision 18.96, in particular paragraph f) on the inventory and the development of a use plan for stockpiles of wood of *Dalbergia* spp. and *Diospyros* spp.
33. Regarding the scientific aspects of Decision 18.96 [paragraphs a) to d)], the Secretariat notes considerable progress as mentioned in paragraphs 17 and 18 of the present document. It is essential to continue to work on the identification of the main species of commercial value of *Dalbergia* spp. and *Diospyros* spp. from Madagascar for the making of non-detriment findings and the setting of voluntary export quotas. This is also key to produce identification materials, which are an intrinsic result of such work. The Secretariat wishes to congratulate Madagascar and its partners for the work done so far and encourages the authorities to continue these activities.
34. Regarding paragraph e) of Decision 18.96, the Secretariat notes indisputable progress in the control and enforcement measures against illegal logging and exports at the national level in the last few years. The Secretariat refers to the report submitted by Madagascar in document SC71 Doc.14 (Rev.1), which presents a summary of the efforts made by the country. Several important measures were taken between 2017 and 2019 – including the operationalization of the Special Court to combat illegal trade of rosewood and ebony. At the time of drafting this document, the Secretariat was still awaiting the progress report from Madagascar on the implementation of paragraph e) of Decision 18.96. Without this report, it is difficult for the Secretariat to determine whether the concerns raised at the 69th meeting of the Standing Committee (Geneva,

November 2017 – SC69 Doc. 49.2) are still relevant or not. As a reminder, the question was to determine whether the investigations and legal proceedings were sufficiently targeted and effective to dismantle the trafficking networks and bring all the parties concerned to justice, and how it would be possible to implement the recommendations of ICCWC and the United Nations Office on Drugs and Crime (UNODC) on precious woods formulated in a study published in March 2018.

35. Despite the considerable efforts made by Madagascar and its partners, the Secretariat notes very slow and insufficient progress regarding the governance aspects of Decision 18.96 [paragraphs f) and g)]. The development of a use plan for the stockpiles has been called for since 2013 at the 16th meeting of the Conference of the Parties. A first use plan for the stockpiles was presented by Madagascar to the Standing Committee in 2014, followed by an improved version in 2017 (SC69) and a revised version in 2019 (SC70). The latest use plan, entitled *Stockpile Verification Mechanism and Business Plan*, includes a two-year implementation timeline and a budget of about USD 8,400,000 for Phase 1 and USD 465,000 for Phase 2. To clarify the intention of the Government regarding the use of the stockpiles and implement the recommendations of the Standing Committee in stages (SC70 SR – paragraph 27.5), Madagascar developed a road map following of the advice of the IAG. The road map provides for the implementation of a number of activities within 18 months, including: selecting a technology to mark the wood, inventorying the ‘officially controlled’ stockpiles and the stockpiles of seized palisander, and reviewing the use plan for the stockpiles. Most of these activities should be implemented through a supporting project signed in 2019 between Madagascar and the ITTO. Although the funds associated with the supporting project were released in April 2021, the activities listed on the road map have not started yet. According to reports by the Malagasy authorities at the latest meeting of the IAG (October 2021), the launch of the activities has been delayed due to the COVID-19 pandemic and is conditioned by the transfer of the remaining 15% of the funds for the supporting project by the ITTO.
36. Based on the statements made by the Minister of the Environment at the third meeting of the IAG (October 2021), the Secretariat notes that the ‘officially controlled’ stockpiles of *Dalbergia* spp. and *Diospyros* spp. (i.e., 3,200 m³) will be processed and used exclusively on a national level and annotation #15 will be considered for any objects made from *Dalbergia* spp. intended for sale to tourists. According to these new considerations, the domestic use of the ‘officially controlled’ stockpiles is outside the scope of the Convention, which regulates international trade of specimens of species of wild fauna and flora included in Appendices I, II and III. In this context, it can be concluded that the management and use of the ‘officially controlled’ stockpiles corresponding to Step 1 of Phase 1 of the revised *Stockpile Verification Mechanism and Business Plan* no longer fall under the scope of CITES and that some of the recommendations made by the Standing Committee [document SC70 SR – paragraph a)] currently seem outdated.
37. On another note, the ‘uncontrolled declared wood’ stockpiles are estimated to be eight times greater in terms of quantity than the ‘officially controlled’ stockpiles and are believed to be scattered between 191 different sites. Stockpiles declared by private owners in 2011 have never been marked or stored in secure locations by the Government. Seven years after being declared, the question of their state of preservation arises. In addition, a declaration of stockpiles is an action that does not guarantee the truthfulness of the declaration. False declarations may have been made, so the quantity of these stockpiles should be considered only as an indication. Another underlying difficulty will be to determine whether these stockpiles were or not legally constituted (i.e., with an authorization to harvest or export the timber).
38. According to the road map for setting up the use plan for stockpiles of ebonies (*Diospyros* spp.) and palisanders and rosewoods (*Dalbergia* spp.), the implementation of Step 2 (i.e., inventorying and marking the ‘uncontrolled declared wood’ stockpiles) of Phase 1 of the Business Plan is conditioned by the results of Step 1 (i.e., inventorying and marking the ‘officially controlled’ stockpiles). Yet, as mentioned in paragraph 37, questions could be raised on the quality and legality of the ‘uncontrolled declared wood’ stockpiles. Moreover, as mentioned by the Standing Committee, concerns have been raised regarding Steps 3 and 4 of Phase 1 and also Phase 2 (i.e., developing a system for selling the stockpiles) and require a review of the Business Plan (SC70 SR – paragraph 25.7). The Standing Committee specifically recommended the following to Madagascar: i) regarding Steps 3 and 4, to explore alternatives to the current proposed compensation schemes to take official control of the wood, in compliance with national legislation and relevant legal procedures in place, and ensure that there will be no financial benefit to those involved in illegal activity; ii) regarding Phase 2, to explore alternatives regarding the allocation of these revenues in order to make them more conservation friendly. This could include establishing an independent trust fund (pending approval by the Ministry of Finance and Budget).
39. In addition, the Secretariat notes that the revised *Stockpile Verification Mechanism and Business Plan* (SC70, Sochi, October 2018 – SC70 Doc. 27.5.1 A3) indicates that the wood can generally deteriorate fast due to the poor outdoor storage conditions, losing 7-10 percent of its commercial value per year. Most

'officially controlled' stockpiles were constituted in 2015 (i.e., 7 years ago) whereas 'uncontrolled declared wood' stockpiles were constituted in 2011 (i.e., 11 years ago). A field visit by the Malagasy authorities to certain regions in 2021 confirmed a significant deterioration of these stockpiles stored outdoors. However, the Business Plan does not clarify the amount of wood stored outdoors, which makes it difficult to assess its state of preservation in general terms.

40. Given the concerns raised in the present document and in SC70 Doc. 27.5.2 and considering the recommendations made at the 70th meeting du Standing Committee (SC70 SR – paragraph 27.5), the Secretariat notes that the *Stockpile Verification Mechanism and Business Plan* no longer seems appropriate in the framework of CITES regarding the management and use of 'officially controlled' stockpiles.
41. Finally, the Secretariat notes that Decision 18.96 includes eight actions coupled with the recommendations formulated at the 70th meeting of the Standing Committee, SC70 (Sochi, October 2018), which are specifically focused on the Business Plan. This arrangement has somewhat made these actions more complex to understand. For these reasons, Madagascar prepared a road map in order to break them down and proceed to implement the recommendations of the Standing Committee in stages. In the future, the Secretariat recommends grouping all the actions directed to Madagascar within the recommendations of the Standing Committee and not to renew the Decisions adopted by the Conference of the Parties.
42. In this context and with the aim of providing appropriate support to Madagascar to pursue its work on ebonies (*Diospyros* spp.) and palisanders and rosewoods (*Dalbergia* spp.), the Secretariat has prepared a set of recommendations for consideration by the Standing Committee.

Recommendations

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

The Standing Committee:

- a) decides to uphold 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) or *Dalbergia* spp. (annotation #15) from Madagascar, until Madagascar has made a legal acquisition finding and a non-detriment finding for these species on a national level to the satisfaction of the Secretariat;
- b) invites Parties of origin, transit and destination of specimens of *Dalbergia* spp. and *Diospyros* spp. from Madagascar to implement all the measures recommended by the Standing Committee regarding commercial trade in specimens of these species from Madagascar, including the suspension of such trade, and to effectively manage the stockpiles of wood of *Dalbergia* spp. and *Diospyros* spp. from Madagascar. Parties are invited to follow the guidance included in Resolution Conf. 17.8 on *Disposal of illegally traded and confiscated specimens of CITES-listed species*, in particular paragraphs 2 and 8;
- c) notes the progress made by Madagascar regarding paragraphs a) to d) of Decision 18.96 (i.e., scientific aspects) and paragraph e) (i.e., enforcement) and calls on the Parties and relevant partners to provide technical and financial assistance to support the work of Scientific Authorities and enforcement authorities;
- d) notes:
 - i) the statements by Madagascar about its intention to make domestic use of the 'officially controlled' stockpiles;
 - ii) that, for this reason, the management and use of these stockpiles corresponding to Step 1 of Phase 1 of the *Stockpile Verification Mechanism and Business Plan* no longer falls within the scope of CITES;
 - iii) and that, consequently, paragraphs f) and g) of Decision 18.96 are no longer appropriate;
- e) invites Madagascar to implement all the necessary control measures for the application and respect of annotation #15 in the event of any export of objects made from *Dalbergia* spp.;

- f) invites Madagascar to refer to the Standing Committee after completion of the process to manage and use the 'officially controlled' stockpiles on a domestic level in order to report its outcomes;
- g) takes note of the progress made in the framework of the Intersessional Advisory Group established to assist and advise Madagascar on the implementation of all measures regarding *Dalbergia* spp. and *Diospyros* spp., and considers that its mandate has been fulfilled;
- h) takes note of the present report and of progress made regarding the provisions of paragraphs a) to c) of Decision 18.99 directed to the Secretariat;
- i) instructs the Secretariat to publish a Notification to the Parties reflecting paragraph a) of the present recommendations;
- j) requests the Secretariat, subject to the availability of resources, to assess the administrative and legislative provisions for the implementation of CITES in Madagascar, in accordance with Article XIII of the Convention, to explore the necessary measures and to provide Madagascar with the technical assistance required for implementing the Convention.