

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



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Agarwood-producing taxa

BACKGROUND INFORMATION ON THE AGARWOOD DOCUMENTS

This document has been submitted by Indonesia and Kuwait in relation to agenda item CoP16 Doc. 67.2 on "Draft resolution on *Implementation of the Convention for agarwood-producing taxa*", amendment proposal CoP16 Prop. 70 on the annotation for *Aquilaria* spp. and *Gyrinops* spp., and agenda item CoP16 Doc. 47 on "Proposed revision of Resolution Conf. 13.7 (Rev. CoP14) on *Control of trade in personal and household effects*".

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BACKGROUND INFORMATION ON THE AGARWOOD DOCUMENTS

1. Since most the species of agarwood were listed in 2005 [only the species *Aquilaria malaccensis* was previously listed in 1995], a lot of work needed to be done to implement these listings in Appendix II. However, only one workshop took place in 2006 and there wasn't any progress made after that. So Kuwait decided to propose organizing the first workshop to re-open the communication between the major importing countries and, the range States of agarwood producing species. The intent was to increase their cooperation in order to strengthen the management, conservation and, the control on the trade on these species. The workshop in Kuwait was attended by 80 participants from 18 Parties; each Party was represented by the CITES Management and Scientific Authorities.
2. The workshop was divided into two different working groups. The first working group discussed the administrative matters and, the second one, concentrated on the scientific matters. The workshop was attended by two representatives of the CITES Secretariat, Ajmal Co, and by the Plants Committee Regional Representative of Oceania (Australia), the two Regional Representatives for Asia (China, Indonesia), and, by the alternate regional Representative for Asia (Kuwait). The countries which were present in the meeting were the agarwood producing species range States and, the major importing-consumer countries; these were: Bahrain, Bhutan, Cambodia, China, India, Indonesia, Republic of Lao, Kuwait, Malaysia, Myanmar, Papua New Guinea, Oman, Qatar, the Kingdom of Saudi Arabia, Singapore, Thailand, Vietnam, and the United Arab Emirates. . Six different companies of Agarwood from (UAE, Kuwait, Saudi Arabia, Lao, Indonesia and Vietnam), participated in organizing side events.
3. Second workshop was held in Indonesia following up on the work that had started at the workshop in Kuwait. This second workshop was attended by 40 participants representing the Parties, the CITES Secretariat, Ajmal Co (UAE) and ASGARIN from the private sector. The range States and the importing-consumer countries, from 12 Parties, attended the workshop: these were: Bangladesh, Bhutan, Cambodia, China, Indonesia, Kuwait, Malaysia, Myanmar, Qatar, Singapore, Thailand and Vietnam, . The workshop in Indonesia was also divided into 2 working groups that continue the discussions from Kuwait: the first working group focused on administrative matters and, the second, on scientific matters. Each Party continue being represented by its CITES Management and Scientific Authorities. All range States and main importing Parties concerned with the trade in agarwood, participated at these two workshops and actively engaged during all discussions. At the Asian Regional Workshop on Agarwood held in Indonesia, the work of those Parties concluded with the agreement of a proposed definition of "controlled conditions" that, without interfering with the effect of the current definition as per in Resolution Conf. 11.11 (Rev. CoP 15) on *Regulation of trade in plants*, would allow this definition to be applicable to tree plantations. This proposed definition has been developed in a consultative and open process and, its adoption, would represent a significant step forward for the implementation of the Convention for agarwood producing species.
4. The results and the recommendations of both workshops by Kuwait and Indonesia, were presented at the last meeting of the Plants Committee (PC20, , Dublin, 2012). At that meeting, another working group (PC20 WG6) was established. This working group was co-chaired by the regional representatives of Oceania and Asia, and, its membership comprised the following Parties: Australia, Belgium, Canada, China, Germany, Indonesia, Italy, Republic of Korea, Malaysia, Poland, Qatar, Saudi Arabia, South Africa, Switzerland, United Republic of Tanzania, Thailand, United Kingdom of Great Britain and Northern Ireland, United States of America, the European Union, Ajmal Perfumes, Assam Agarwood Traders Association and, the Secretariat.
5. The PC took note and agreed on some of the results of the WG on agarwood as presented in Document PC20 Sum 5 (Rev 1), including the PC adoption on the recommendation to develop a new Resolution relating only to Agarwood to be submitted to CoP16. As a result, China, Indonesia, Kuwait and Thailand submitted several documents on Agarwood matters for their consideration and adoption at the sixteenth meeting of the Conference of the Parties (CoP16, Bangkok, March, 2013)

CoP16 Doc. 67.2

6. This document presents a brief overview on agarwood matters, and proposes the adoption of a new draft resolution. The authors also note that although the Conference of the Parties has not considered in the past the adoption of a resolution to target specific plant species, it has done so for at least sixteen taxa of animal species. We believe that the work and the progress made on agarwood matters, that have been achieved until now, jointly, by the range States and, by consumer countries, during the last decade and, especially the progress that they have made during the last three years, demonstrates that the conservation, management and trade in agarwood producing species has

7. The specificity of agarwood trade would justify a resolution that would address the various aspects of this trade. This specificity has been recognized and addressed in the past through the adoption of sets of Decisions that have been carried over from one CoP to the next. Transferring these Decisions into a standing Resolution would seem the most sensible way to regroup this guidance to the Parties.
8. The proposed draft resolution links directly to Resolution Conf. 11.11 (Rev. CoP15) on *Regulation of trade in plants* and, it respects the definition of 'parental stock' set in that Resolution. Although more work and progress needs to be done to strengthen the capacities of the Parties to implement the Convention for agarwood producing species, the proposed draft resolution is a first step toward addressing that work during the upcoming years.
9. Basically, most of the Parties, especially the tropical countries, agree that Res Conf 11.11 (Rev CoP 15) has provided a definition of "artificially propagated" as well as the Res Conf 10.13 (Rev CoP 15) has done so for addressing the situation of the plantations. However, the current definition of "artificially propagated" proposed in both Resolutions, does not meet nor apply to the field conditions in plantations found in the tropics, especially in agarwood plantations. The current terminology used under this definition only fits the circumstances at the temperate and boreal forests. Additionally, the current definition of "under-controlled conditions" is can only be applicable to the environment of the glasshouses that have the purpose of producing orchids and other small plants, etc. Timber species in the tropics are not planted in glass-houses. Furthermore, most tropical countries, especially from Asia, also argue that their tree plantations are not grown in mono-specific plantations most plantations in the tropics, are grown as mixt tree species plantations. These are the main reasons for the tropical region Parties to currently question the applicability of the current definitions of "artificially propagated", of 'under controlled conditions" and, of their applicability to tropical plantations, as they are written in Resolutions Conf. 11.11 (Rev.CoP15) and in Res. Conf 10.13 (Rev CoP15) respectively.
10. Additionally, trees (timber) plantations are usually requested to get and have forest certification certificate that is obtained through reputable forest certification schemes in the world. The certification on *sustainable forest management* (SFM) serves to recognize that sustainable forest management is fully being implemented in managing the trees (timber) of the plantations concerned. According to the forest certification schemes, it is compulsory to have diversity in the composition of the species in the plantation (as an example please refer to Principle number 10 of the Forest Stewardship Council (FSC): its principles and criteria for forest stewardship can be downloaded at www.fsc.org). Thus, in case of the tree (timber) species listed in CITES, the current reference to plantations in Resolution Conf. 10.13 (Rev. CoP15), would prevent the tropical countries to fulfill simultaneously, both requirements (for CITES and, for the Forest certification schemes). Resolution Conf. 10.13 (Rev. CoP15), only allows to apply the current definition of "artificially propagated" for those plantations that are "mono-specific". On the other hand, to fulfill the requirements for getting SFM certification, tree plantations should NOT be planted in mono-specific plantations. Finally, failure to meet these two requirements (CITES and SMF certification) make the timber harvested from the tree (timber) plantations in the tropics impossible to access the international markets in the main importing regions of timber products that require such certificates (mainly the North American Region and the European Union).
11. Although it can turn into a long debate whether is better to have mono or mixt species when establishing plantations, Hartley (2002) clearly stated that benefits attributed to planting a mix of species, can include but are not limited to:
 - (i) more efficient nutrient use, thus, trees grow bigger, faster;
 - (ii) site quality and yields are conserved over time;
 - (iii) reduced risk of catastrophic damage from storms, insects, or disease outbreaks;
 - (iv) some "nurse" species provide structure beneficial to primary crop species, e.g. training, shade, or protection from frost,
 - (v) reduced economic risk by hedging bets against future market, and
 - (vi) public opinion favors mixes over monocultures because they are thought to have higher ecological integrity due to higher species diversity.

12. We would also like to bring to the attention of the Parties, that the non-detriment finding (NDF) guidance for agarwood producing species, has been the only guidance that has been further refined for a particular group of species. The workshops in Kuwait and Indonesia made that progress and, the Plants Committee agreed to encourage Parties and the Secretariat to use such guidance (CoP16 Inf.11) on capacity building workshops and training materials.

CoP16 Prop. 70:

13. The Listing proposal 70 is drafted in accordance with the outcome of the workshops organized by Kuwait and Indonesia. During both workshops it was agreed that the oil containing less than 15% of agarwood, the exhausted powder and the finished products, are not considered as dominant products in trade, while the most important products of agarwood found in international trade are logs, wood blocks, wood chips and oil.
14. Considering that the agarwood products are diverse, a glossary is also provided to help the Parties concerned, to understand the nature of agarwood trade and, to identify these products. The glossary has been provided in document CoP 16 Inf. 3 on *Glossary of agarwood products*. A registration and labeling system should be established according to the draft resolution on agarwood, and the oil<15% will only be exempted with the labeling system in place. Therefore the enforcement officer can easily identify the oil using the labels. The drafted resolution intends to help range States strengthen their domestic management of agarwood producing species.
15. Exhausted agarwood: The value of the agarwood products depends on their content of resin and, on their size. Agarwood sold as processed agarwood is in the form of big pieces or chips. Only low quality agarwood is used for distillation and residual portion and this is called *exhausted agarwood*. It is used to make mixed incense in the Middle East. Range States use it as a fuel or as molding of necklaces, artifacts etc. Hence exhausted agarwood powder shall be in the form of coarse powder. Parties should specify that exhausted agarwood powder shall be in the form of powder and in the form of chips or logs etc. Market value of agarwood powder is so low that nobody shall grind agarwood to powder for illegal purposes. Agarwood loses its value as the size of the timber decreases.
16. Moreover exhausted agarwood is blackish in color compared to natural brownish color of agarwood. Upon hydro distillation in laboratory under normal conditions, exhausted agarwood does not provide any oil as compared to original agarwood.

CoP16 Doc. 47:

17. With regard to the *personnel and household effects*, it was recommended and agreed by the range States, to accommodate tourists who bring small specimens for their personnel uses only. Therefore this amendment tries to accommodate that situation. The amount for exemption is proposed at the working document 47 which is up to 1 kg woodchips, 60 ml oil, and 2 pieces of beads, (or prayer beads, necklaces, bracelets) per person. Any identification materials for the products are provided as the CoP 16 Inf. 3 This is of course still an initial draft which will be enriched whenever, and, to the extent, possible.
18. It should be noted that the exemption is mainly for finished products which can be directly used and/or consumed by the consumer for personnel and household purposes only. Also, several range States believe that the exemption will not lead to a substantial reduction of permitting, because the database in these countries indicate that there are only few permits issued on personnel and household effects per year. Furthermore, the authors believe that amendment to this Resolution Conf. 13.7 (Rev. CoP14) on *Control of trade in personal and household effects* will improve and facilitate the enforcement between the range States and, the major importing-consumer countries, as it will be unifying the regulations between these Parties.