

CITES and its potential to guarantee sustainable trade in wild plants

Willem Wijnstekers

Secretary General, CITES Secretariat, Geneva, Switzerland

Honoured guests,

It is a great honour for me to have been invited to talk to you about CITES, its role in the international plant trade, and more specifically the timber trade, as policy makers appear to see it today. I have recently discussed the same issues with audiences at the Durrell Institute of Conservation and Ecology at the University of Kent and at the annual congress of the International Wood Products Association in San Diego. CITES finds itself in a very important phase of its existence and the meeting of the Conference of the Parties in June will be crucial for the role it will play in the years to come.

When widening its role in the international plant trade and moving further into the area of international trade in commercially important timber species, CITES should – far more than in the past – look for partnerships with organizations such as yours and with the private sector.

Being here today is therefore very important for me and the CITES community. On the same note, I should like to stress that your participation in the discussions of the meeting of the Conference of the Parties is crucial for those discussions to lead to sensible and workable conclusions in the interest of conservation.

We all know that thousands of animal and plant species are endangered as a result of human activities such as habitat destruction, poaching, over-harvesting and pollution. It is important to realize though that CITES only addresses the threat posed by just one of these activities: international trade. The CITES Appendices are not red lists of endangered or threatened species. They only list species, the conservation status of which is or might be threatened as a result of international trade.

The various threats to wildlife have continued to grow as expanding human populations, development, poverty and war have tested the ability of animals and plants to survive.

International trade has also placed an increasing pressure on many species.

The greater demand resulting from higher levels of income, travel and tourism has contributed to this growth. Higher incomes can have a dramatic effect on levels of wildlife consumption with consequences that are clearly being felt.

CITES therefore has over the last 30 years not lost any of its importance as an international legal instrument to conserve biodiversity.

CITES is a Convention that has shown to be able to adapt to changing circumstances. Since its entry into force in 1975, CITES has gone through many processes. It has grown and matured over its 30-year lifetime. Although its appendices remain dynamic, their overall size has more or less stabilized as species are both added and removed at each of our tri-annual conferences. CITES' rules and procedures have developed into a coherent and well-established system for promoting non-detrimental wildlife trade and conservation. This is not to say there is no scope for improvement and I have urged many meetings of the Conference of the Parties to get rid of redundant red tape and to help making things simpler. Simpler to implement and enforce and simpler for people to understand. It is important for people dealing with CITES – and particularly for those trading in CITES species - to understand why there are certain rules and how these rules help them

with a sustainable business. Regulations that are believed to be useless are not complied with, certainly not if infringements remain unpunished or are subject to very low penalties, as is the case in many CITES Parties.

CITES has learned to balance conservation and sustainable use, emphasizing different strategies for different situations. If populations of a species, take elephants for example, in one part of a continent are growing, even outgrowing their habitats, then CITES must find ways to address the wish of the countries involved to be allowed to trade in products of that species without negatively affecting the conservation efforts of countries with less thriving populations.

CITES increasingly seeks to make conservation and poverty reduction mutually supportive. Talking about poverty reduction, allow me to mention the potential of CITES to contribute towards achieving the so-called Millennium Development Goals. One of these goals is to significantly reduce poverty and promote development. This requires a sustained and broad-based economic growth. Trade obviously is an important engine of growth and that is what CITES is all about. Commercial trade, conducted in accordance with CITES is by definition non-detrimental to species or to their role in ecosystems and prohibitions of trade under CITES should reduce threats to species and ecosystems.

CITES is also a means of integrating the principles of sustainable development into country policies and reversing the loss of environmental resources. It further helps managing ecosystems for environmental sustainability, another Millennium Development Goal, ecosystems that provide services that sustain human livelihoods.

There can be no doubt that wildlife species are fundamental to livelihoods and economic growth, they are vital to the lives and well-being of local communities and many rural areas depend on them. A recent WWF report, entitled "Species and People: Linked Futures", presents case studies on the contribution of wildlife conservation to rural livelihoods and the Millennium Development Goals. The report states that issues which threaten species are often the same as, or are closely related to, some of the root causes of poverty. These include the marginalization of rural communities, weak governance and political instability.

It is the rural poor who live in natural areas and use natural resources for their survival. The conclusion of the WWF report is that species conservation can and does deliver on, inter alia, poverty reduction and livelihood improvement.

CITES and livelihoods will also be discussed at our meeting of the Conference of the Parties in The Hague, in June. A proposal by the EU, China, Argentina and Nicaragua, builds on the recognition by the Conference of the Parties, in 2004, that the implementation of CITES listing decisions should take into account potential impacts on the livelihood of the poor. It is important to note that this recognition cannot stop species from being listed because there is or might be a problem for livelihoods. Species are to be listed in accordance with scientific, biological criteria, but the implementation of the relevant trade regime must, to the extent possible, take the interests of the livelihood of the poor into account. The discussion paper for the Conference of the Parties proposes the development by 2010 of tools for the rapid assessment at the national level of impacts of CITES trade regulation on human well-being and the livelihoods of the poor. It further proposes the development of guidelines on how to consider the impacts on the livelihoods of the poor, particularly in developing countries when implementing CITES.

I attach great importance to the role CITES can play in this context.

By proving itself to be an effective and robust tool for promoting both non-detrimental trade and conservation, CITES has attracted 169 Parties, which include all major wildlife trading countries. More and more non-governmental organizations (NGOs) are actively engaged with CITES, as demonstrated by rising numbers of participants at our conferences. CITES has become a sophisticated operation and its conferences are now major global events.

CITES' effectiveness in managing 'traditional' wildlife issues has convinced governments to expand its role in supporting sustainable development. Species from the commercial fisheries and timber industries were long considered off-limits to the Convention, but some are now featured on the CITES appendices. The CoP in The Hague will discuss proposals to list more fish and timber species and, for the first time in the history of CITES, a Ministerial meeting will be held to discuss not only the enforcement of the Convention, but also the role CITES should play in the conservation of fish and timber species.

In my opinion, CITES should only get involved where it can make a difference. Many species management agreements adopt regulatory measures, standards, quotas, etcetera, but lack the tools to enforce them. Here is where CITES can help out with the mechanisms it developed, for example to have the Parties adopt recommendations to suspend trade in CITES-listed species with non-compliant countries.

Several timber species that have been included in CITES so far were so at a far too late stage, when the species were already or almost commercially extinct. This is one of the issues to be addressed by the Ministerial segment of the CoP in The Hague. How can CITES be used at an earlier stage as a complement to management agreements for fish and timber. Obviously, close collaboration with organisations such as FAO and ITTO is a must to make things work, but also organizations such as yours as well as the private sector should be closely involved and committed.

Where the ITTO is concerned, I should like to inform you that our two Secretariats have recently launched a four-year project aimed at ensuring that international trade in CITES-listed timber species is consistent with their sustainable management and conservation. The European Commission has set aside a budget of \$ 3 million for this project, which will assist range states in building coherent policy frameworks that benefit the timber industry, local communities depending on tropical forests and the biodiversity-rich forests themselves. It will focus on the three internationally most traded timber taxa currently listed in CITES Appendix II, i.e. Afrosia, Bigleaf mahogany and Ramin.

On Afrosia, the project will support the efforts of Cameroon, the Congo and the Democratic Republic of Congo to enforce existing legislation and to strengthen the quality of non-detriment findings. Although procedures are not yet fully in place to ensure full compliance with CITES, the authorities of the countries concerned are increasingly collaborating at the regional level and their timber industries are undergoing a radical reform.

Bigleaf mahogany is not currently at risk of extinction, but many populations are seriously threatened and their genetic variation has been depleted. The support given to the main exporting countries, i.e. Bolivia, Brazil and Peru, reflects the international interest in this resource. The project will strengthen the capacity of the range states to comply with CITES.

Ramin has – as you undoubtedly know – been one of Southeast Asia's major export timbers. Many species are now considered to be overexploited and vulnerable owing to heavy logging (much of it illegal) and habitat destruction. The inclusion of ramin in CITES implied that exporting countries put in place a different management system. In particular, they need to improve the coordination of the work of national authorities so that CITES regulations are implemented effectively.

One of the aims of the project is to help the countries concerned to develop robust forestry systems that will also benefit other timber species in trade.

The Conference of the Parties in June will consider a proposal from Brazil to list Pernambuco (*Caesalpinia echinata*) in Appendix II. Brazil is not currently allowing the use of pernambuco other than in exceptional circumstances. It has, however, undertaken to ensure a more responsible management of the species and to ensure a sustainable level of trade, supported by a CITES Appendix II listing. Pernambuco is an endemic taxon, which is readily identifiable, so it should not pose a problem for enforcement officers. Brazil proposes to cover all parts and derivatives, which means that the international movement of many existing musical instruments and other items will become subject to CITES documentation.

The EU proposes the inclusion in Appendix II of three further species of Rosewood, also used for musical instruments, namely *Dalbergia retusa* and *Dalbergia granadillo*, both traded as 'cocobolo'. *Dalbergia granadillo* is proposed to be listed for 'look-alike' reasons, i.e. to facilitate trade controls for *Dalbergia retusa*. The third species is *Dalbergia stevensonii*, traded as 'Honduras rosewood'. This may cause identification problems as *stevensonii* can apparently be confused with *Dalbergia tilarana*, which is not proposed for listing.

The EU further proposes the inclusion in Appendix II of Spanish cedars, *Cedrela* spp. The populations of Colombia and Peru of *Cedrela odorata* have been listed in Appendix III since 2001, with controls limited to logs, sawn wood and veneer sheets. The EU proposal implies the coverage of all products of Spanish cedars by CITES controls. It should be noted that only *Cedrela odorata* is proposed in view of its conservation status, the other species for the earlier mentioned 'look-alike' reasons.

Another proposal I should mention is the one, also by the EU, on the issue of the physical inspection of timber shipments. The paper refers to the many difficulties in relation to determining the quantity of timber covered by a permit and proposes that 1) better identification material is made available to CITES authorities and 2) that guidelines and a methodology, based on unified criteria, be developed for carrying out physical inspections of timber species.

The Secretariat proposes that first we look at existing tools and then look at a possible methodology and guidelines.

Switzerland proposes to reduce the number of *Euphorbia* included in Appendix II by refining the morphological definition of 'succulent' on the basis of growth forms and minimum dimensions. The minimum size requirement would ensure that seedlings and young specimens of species that require control are not falsely declared as species whose forms would be excluded.

It would indeed be useful to reduce unnecessary controls, but the Convention does not allow the exclusion of live plants from controls, so the proposal cannot be considered.

A proposal made by Switzerland at the request of the Plants Committee seeks to more adequately reflect the commodities in international trade for a large number of medicinal plants.

There also is a proposal to simplify the current exclusion from controls of artificially propagated hybrids of *Cymbidium*, *Dendrobium*, *Phalaenopsis* and *Vanda* and one to correct the current exclusion of artificially propagated plants, impossible under the Convention but decided at the last CoP anyway. The exemption will now only apply to hybrids and cultivars, which is possible under the Convention.

Clearly, governments want and expect more from CITES, they recognize its competence and its value. Unfortunately, however, most governments are not prepared to support it with the financial resources needed at either the national or international levels. In fact we are possibly confronted with a major financial crisis where the Secretariat and its activities are concerned. An important increase in contributions will be necessary if the Parties are serious about achieving the goals of a new Strategic Vision to be adopted in The Hague and if they do mean business about CITES getting involved in commercial species.

Allow me to go back a bit.

CITES is a very simple Convention, on paper that is. International trade, exports, re-exports and imports, of animals and plants and products thereof must be non-detrimental to the survival of the species and this trade must be legal. That's all; there is nothing more to it. A system of permits and certificates, issued by Management Authorities, after being advised by Scientific Authorities, should confirm that all is well.

But in practice things are not so simple. CITES covers some 33.500 species in three different Appendices, each with their own provisions and differing exemptions. The implementation and enforcement of the Convention are challenging to say the least, particularly for the enormous quantity of possible products,

which are in many cases difficult to even identify as wildlife products, let be at the species level. Controls mainly take place at borders by customs officers, not always with specialized training. We therefore put an important effort into developing training materials for customs, as well as marking systems and identification manuals to assist them. The development of DNA tests for an increasing number of species is also a valuable tool, but these are not always and everywhere available and in many cases still too expensive. This is a series of issues that would benefit from drawing more upon the expertise available in botanic gardens.

As a result of these technical enforcement problems and the fact that wildlife trade has more and more become the business of organized criminal networks, after thirty years of CITES there still is an unacceptable level of illegal trade. This is also caused by the lack of proper penalties for wildlife crime. I referred to this problem earlier.

A further difficulty in the implementation of CITES is that the decision that trade in a given species is non-detrimental, i.e. sustainable, is hard to make for many species. The bulk of CITES species occurs in developing countries and the scientific data which are necessary to make a proper non-detriment finding is in many cases simply not available. The CITES Secretariat develops training materials for scientific authorities and the CITES Animals and Plants Committees provide expert advice to Parties on the management of their trade in many species. But a lot more needs to be done.

An important question is how compliance with the Convention can be made more attractive than non-compliance. Parties have tended to place more emphasis on the use of coercive enforcement, which is one of the strong points of CITES and quite a unique one in the world of multilateral environmental conventions. But there is an increasing recognition that the use of specific incentive measures could make an important contribution to the effective implementation of CITES.

A major incentive is certification, an issue that is very relevant of course to the question whether CITES can be a guarantee for sustainability. Certification is a type of conformity assessment which directly or indirectly determines that relevant requirements are fulfilled. A certification system is the procedure by which a government or a third party gives written assurance that a product, process or service conforms to specified requirements. In the CITES context, the main purpose of certification is to clearly differentiate a legal CITES product from an illegal one and in doing so separate the legal from the illegal markets. Ideally, consumers will care more about the source of the goods than about the price.

As you know, there is voluntary and regulatory certification.

Voluntary certification refers to the issuance of written assurance by a third party that has audited and verified that a biodiversity product conforms to the requirements specified in a standard. This market-based incentive is applied voluntarily in many countries by producers of biodiversity products such as timber, but also of dolphin-friendly tuna and by crocodile and turtle farms.

The incentive is based on the rationale that consumers are willing to pay a premium for these products and that by increasing demand for sustainably produced biodiversity products, voluntary certification will encourage other producers to also improve their management practices.

A variety of schemes has been set up by national and international organizations, you of course know the Forest Stewardship Council but there is also the Marine Stewardship Council for example. Schemes range from country certification to concession or company certification to product labelling.

As a result, when I buy a piece of garden furniture made of tropical timber, there are several more or less colourful labels attached to it with difficult to remove plastic bands to make me feel at ease, but can I be sure that any of these labels actually guarantee sustainability?

There also is regulatory certification, mandated by law, where the government holds the certification authority. The CITES permitting system is a good example of a regulatory certification system with

designated Management and Scientific Authorities acting as certifiers that the goods covered have been produced in a way that is non-detrimental to the survival of the species involved and have been legally obtained. The CITES system concerns the actual goods covered by a permit or certificate, but also the management of the production system.

In order to make the CITES permitting system a fully recognized regulatory and branding-type certification scheme, including security stamps, tags on skins, marks, logo's, etcetera, Parties have different options at their disposal.

They can for example standardize practices for non-detriment and legal acquisition findings, or design a certification package combining voluntary certification schemes with the regulatory requirements. Either of these options needs to be implemented in a credible way.

I am in favour of harmonized certificates and labels, which are used by all CITES parties.

Standardized practices require the formulation of clear and realistic criteria that ensure that trade does not affect the survival of species in the wild. It also requires the independence of authorities vis-a-vis the commercial interests of traders and consumers.

There are some examples of CITES products certification, which use more than just CITES documents. The Parties established universal labelling for crocodile skins. There is also a system which uses the CITES logo for the re-export of tins of caviar. Although the latter measure was primarily aimed at preventing illegal packing and repacking, it has the positive side effect of reassuring consumers about the legality of the product.

Another example is the combination of CITES with a sui generis regime of certification of the origin of specimens together with a registered trade mark for vicuna wool and products. This mechanism helps range states to combat bio-piracy, establishes market differentiation and ensures local communities to receive more cash for their products.

We are working with UNCTAD and developing countries to combine CITES requirements with additional standards, quality-related for example, to facilitate market access to CITES products and to obtain price premiums.

There clearly is potential for CITES to become a brand name, but development in this direction needs to be approached in a cautious, well-planned and well-resourced manner. Making a CITES brand name and the CITES certification scheme credible requires the provision of guidance to countries on conformity assessment, standardization of practices and peer assessment consistent with relevant WTO rules and the ISO.

Currently, it occurs too often that major importing countries, like the US and the EU member states, second guess permits and certificates issued by exporting countries. If you are dealing in expensive commodities like timber, you want to be sure that a permit is a permit and that shipments worth millions are not stopped at the borders of importing countries in spite of the fact that the exporting country issued a CITES document for it. This may be a problem of exporting countries issuing permits too lightly, but for traders it is nevertheless a permit. The CITES Secretariat has mediated many times between exporting and importing countries having such conflicts, but its advice is not binding. There is therefore – as I have indicated earlier – quite some scope for capacity building in producer countries to ensure that an export permit indeed becomes a guarantee for sustainability, in particular for an increasing number of commercially valuable species.

In conclusion, I think it is fair to say that CITES has the potential to be a guarantee for sustainability – it is already for a limited number of species – and given the necessary resources, CITES can be the ultimate certification system for sustainably and legally traded wildlife. Maybe that is not the role it was intended to

play when it was devised in 1973, but it clearly has developed that way and I am convinced it should follow this evolution.

I thank you very much for your kind attention and look forward to meeting many of you in The Hague, in June.

Thank you.