

**AUGUST 2019
PROJECT
SUMMARY**

VOLUNTARY CERTIFICATION STANDARDS AND THE IMPLEMENTATION OF CITES

FOR TRADE IN MEDICINAL AND AROMATIC PLANT SPECIES

TRADE IN CONTEXT:

MEDICINAL AND AROMATIC PLANTS

Trade of wild-sourced CITES Appendix II-listed medicinal and aromatic plants (MAPs) totalled 25 million kg between 2006 and 2015. CITES provides an important, and often only, form of regulation of trade in MAPs. The trade chains relating to these species are often long and complex, involving multiple companies in several countries. Combined with a lack of capacity and resources that may hamper the ability of CITES Parties to make Non-detriment Findings (NDFs) and Legal Acquisition Findings (LAFs), the implementation of CITES can often

be a difficult process for MAP species when case-specific and field-based information is not available to CITES authorities.

This document presents a summary to date of a project, implemented by TRAFFIC in collaboration and with the support of German Agency for Nature Conservation (BfN), aiming to identify how voluntary certification standards (VCS) application to CITES-listed MAPs can assist with implementation of CITES and fulfilment of its requirements.

MAPs IN TRADE

The top three exporting countries (according to importer reported quantities) represented 75% of all wild-sourced exports (kg as unit): **Mexico, Cameroon, and South Africa**, while five countries were responsible for 77% of imports: **France** (26%), **USA** (16%), **Japan** (15%), **Germany** (11%) and **Spain** (7%).

In terms of species with the biggest volume in trade, based on the importer reported data, trade in *Euphorbia antisiphilitica* and *Prunus africana*, accounted for 73%. Additionally, trade is significant in some MAP genera: *Aloe* spp., *Dendrobium* spp., and *Aquilaria* spp. In the analysis of trade data as reported by exporter, *Nardostachys grandiflora* from Nepal appears globally significant in trade.

Trade in wild-sourced MAPs has particular features, which creates both challenges and opportunities. The challenges include the increasing demand (including by the constantly diversifying industry sectors), complex trade chains and traceability issues.

approximately

60,000 plant species

are used globally for medicinal purposes

of which

3,000

are traded internationally

over 800 MAPs

are listed in CITES App. II

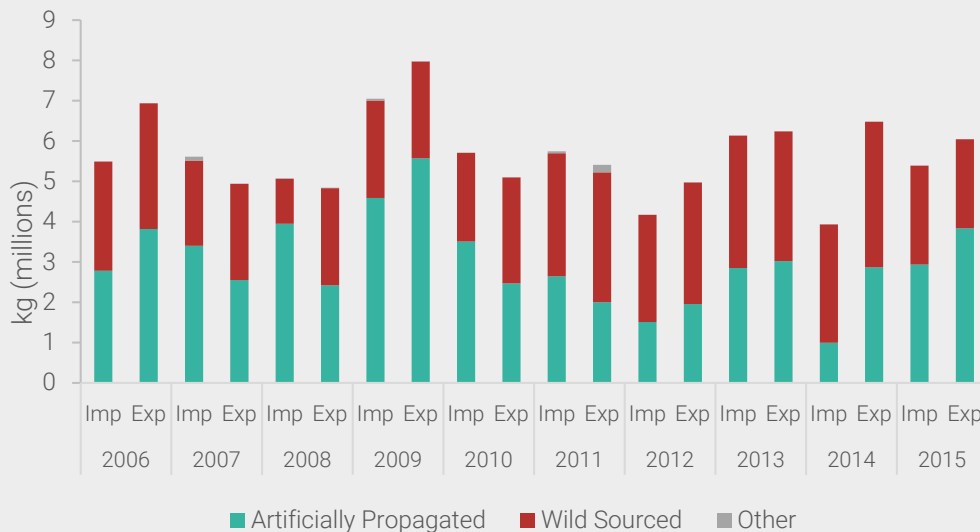
43 of these

are in significant trade from wild sources between 2006–2015

25 million kg

of wild-sourced Appendix II-listed MAPs traded between 2006–2015

CHALLENGES AND THE NEED FOR ACTION



Importer and Exporter reported quantities of CITES Appendix-II listed MAPs traded in 2006–2015, when quantities were reported in kg

Millions of wild-harvesters in poor and marginalised regions around the world are reliant on this trade, which is often operating in the context of complex legality (including the issues of land access, tenure and use rights), with much of the trade being informal and under-reported.

There are also issues of identification as MAPs are mostly traded as parts, derivatives, finished products, including in mixed and processed form. On the other hand, the market awareness of sustainability issues is growing, and best practices are available, as well as some policy and legislative frameworks in place (notably including CITES regulations), creating opportunities for establishing the conditions for sustainable and legal trade in wild MAPs, benefitting livelihoods, healthcare opportunities, food security, as well as ecosystems and other species.

CITES Authorities in general face problems with NDF/LAF making when information is lacking/deficient, which is particularly apparent with MAP species. Given the length and complexity of MAPs trade chains, often involving multiple companies in several countries, combined with a lack of capacity and resources that may hamper the ability of CITES Parties to make data-based and meaningful NDFs and LAFs, the implementation of Article IV can often be a difficult process for MAP species.

This project explored an opportunity for appropriate voluntary certification standards (VCSs), if implemented for CITES Appendix II-listed MAPs, to provide case-specific and field-based data and information necessary for making NDFs and hence support CITES authorities in the implementation of its provisions, in making both NDFs and LAFs.

VOLUNTARY CERTIFICATION STANDARDS

WITH THE POTENTIAL TO FACILITATE CITES IMPLEMENTATION FOR MAPS

To evaluate the potential and suitability of VCSs to aid in CITES processes, the project used a mix of approaches to identify how voluntary certification can assist with implementation of CITES and fulfillment of its requirements for Appendix II wild-sourced MAP species.

Review of Literature

Certification Scheme matrix

CITES Plants Committee side event (linked to PC24 Inf. 12)

Online Questionnaire 33 responses were received: 18 from CITES Parties and 15 from industry

Stakeholder Workshop attended by CITES Authorities from China, Germany, Republic of Korea, Mexico, Norway, Portugal, South Africa, Switzerland and Liechtenstein, and the United Kingdom, CITES Secretariat, industry associations and companies, certification bodies, NGOs and IGOs

VOLUNTARY CERTIFICATION STANDARDS

Voluntary certification standards (VCSs) were created to address consumer concerns regarding social, environmental and ethical aspects of production.

Third-party VCSs allow for external auditing and tend to require more exacting scientific standards. Examples of third-party VCSs include the Forest Stewardship Council (FSC), which certifies areas of forest where harvest of timber and non-timber forest products is sustainable. In the context of wild-sourced plants (excluding timber), fungi and lichens, the most comprehensive system currently in use is the FairWild Standard, which sets out key criteria and principles for companies and producers to meet around the verifiably sustainable sourcing and equitable trade; compliance is assured through third-party auditing. A selection of certification schemes are backed by laws, such as the EU organic production regulation, which set out the standard for organic certification.



CERTIFICATION STANDARDS MATRIX

This matrix is a “traffic light” summary, comparing the general guidelines for making NDFs and LAFs against four certification standards. It outlines that some certification schemes may be more suited to certifying CITES Appendix II-listed MAPs using the current indicators. The FairWild Standard has all of the relevant indicators, but this is to be expected as it was created to certify MAP species such as those listed on the CITES Appendices. UEBT/UTZ and FSC both have indicators that produce documents that could be helpful to MAs and SAs when making NDFs and LAFs, but some of the indicators are more site-specific rather than species-specific.

NDFs Res. Conf. 16.7 (Rev. CoP17)	9-step NDF for perennial plants	FairWild Standard Version 2.0 Performance Indicators	Field Checklist for UEBT/UTZ Certified Herbal Tea	FSC International Generic Indicators	EU Organic Regulation, from: (EC) 834/2007 and (EC) 889/2008
A. species biology and life-history characteristics	Steps 1 and 5	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines	no relevant indicator
B. species range (historical and current);	Steps 4, 5 and 6	full consideration of guidelines	partial consideration of guidelines	full consideration of guidelines	partial consideration of guidelines
C. population structure, status and trends (in the harvested area, nationally and internationally);	Steps 4, 5 and 6	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines
D. threats	Steps 4, 5, 6 and 7	full consideration of guidelines	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines
E. historical and current species-specific levels and patterns of harvest and mortality (e.g. age, sex) from all sources combined	Steps 3, 4, 5, 6 and 7	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines	no relevant indicator
F. management measures currently in place and proposed, including adaptive management strategies and consideration of levels of compliance	Step 8.	full consideration of guidelines	partial consideration of guidelines	full consideration of guidelines	no relevant indicator
G. population monitoring	Steps 6, 7 and 8	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines	no relevant indicator
H. conservation status	Steps 4 and 6	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines	no relevant indicator
Article IV, paragraph 2 (b)					
(b) a Management Authority of the State of export is satisfied that the specimen was not obtained in contravention of the laws of that State for the protection of fauna and flora	Step 3	full consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines	partial consideration of guidelines

COSTS AND BENEFITS

OF CERTIFICATION

In order for a certification approach to work, the balance between the costs and benefits of certifying MAPs has to be more towards benefits. These can be tangible and intangible, for example the costs of certification, or the potential savings in time and effort spent in preparing the documents for making NDFs when VCS data are made available. The project workshop discussions and responses to questionnaires showed that both industry

and CITES Authorities consider certification as potentially useful in playing a role in the implementation of CITES for Appendix II-listed MAP species. **The main benefits that both groups saw were that sharing of verified information would lead to greater knowledge and that this could speed up the permitting process.** Benefits and costs from CITES Authorities prospective are summarised below:

BENEFITS

- “Free”, useful and reliable information
- Reduction in processing time
- Reduction of the perception of CITES hindering trade
- Communication between industry and authorities can benefit both and improve quality
- Assisting the Review of Significant Trade process
- Support of livelihoods

COSTS AND RISKS

- No liability for the certifier to give correct information
- Initially, it could take longer time to obtain information
- Parties with less resources could rely on certification without additionally checking
- Disadvantage for smaller companies if authorities start to require information

SUITABILITY OF CITES APPENDIX II SPECIES FOR CERTIFICATION

Species that were considered more suitable for, or likely to benefit from, application of VCS would have the following characteristics: Species traded in high volumes; Species that are mainly wild collected and traded for commercial purposes; Species with complicated annotations or Appendix II split listings (only some populations are listed); Species for which limited information is available (in particular, concerning range, population, sustainability of harvests and trade) and there is conservation concern,

including species recently CITES-listed; Species that were in the Review of Significant Trade (RST); Species that has suffered trade suspensions; Species that have a destination market that is interested in certified products; High value species where the cost of certification can be easily absorbed; Species where livelihoods would be strongly affected if trade is suspended; Species where there are additional concerns over livelihood and social issues and voluntary certification could add an element of fair trade.

The examples of CITES Appendix II-listed MAPs that may be suitable include:



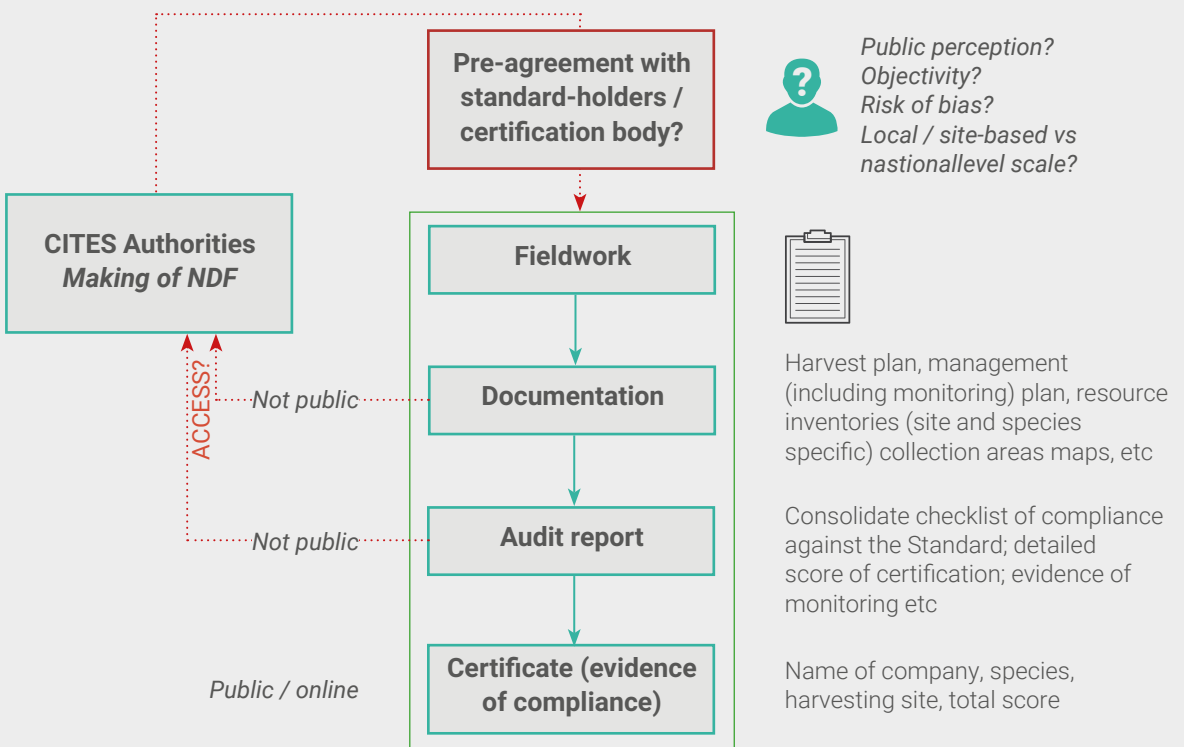
A specific example of using certification as a preventative method was the genus *Boswellia* (the source of frankincense) where participants agreed that **certification could prevent the necessity for a CITES listing**.

Additionally, discussions leaned towards using certifications as a means for promoting deregulation of trade and that certification could promote the delisting of species from the CITES Appendices.

HOW TO OPERATIONALISE THE USE OF CERTIFICATION OUTPUTS TO ASSIST CITES PARTIES

The evidence presented so far demonstrates that, on paper, certification could help with the implementation of CITES for trade in Appendix II MAP species. But how could this work practically? The starting point is to think about

how diverse the certification systems are and how the data needs for making CITES NDFs and LAFs, and the information generated by VCS application overlap.



An example of how a pre-agreement between CITES authorities and standard holders/certifications bodies could work in practice

MOVING FORWARD

Results from both the workshop and the online questionnaire show that, in general, there is a positive response from stakeholders when considering if voluntary certification of CITES-listed species can assist with implementation of CITES for Appendix II wild-sourced MAP species. The matrix has shown that some voluntary certification standards can already compliment the general guidance on making NDFs (Resolution Conf. 16.7 (Rev. CoP17)), whilst others would need adjusting to fit with the CITES framework.

Suitability analysis revealed that not all Appendix II-listed MAPs may benefit from certification. Species which are more widely traded as wild specimens, have had a somewhat chequered past when in trade (e.g. trade suspensions or inclusion in the Review of Significant Trade) and in trade to countries where there is a market for certified products may be better suited for certification.

A set of recommendations was developed at the stakeholder workshop on how to progress with the concept of VCSs aiding with the implementation of CITES for Appendix II-listed MAP species.

1 practical implementation

Encourage piloting the application of VCS to CITES Appendix II-listed MAPs, and consolidate lessons learnt from these experiences as case studies, to be shared with both CITES government agencies and businesses

2 improve VCSs

Raise awareness of standard-holding organisations, CITES Authorities and industries for which certification schemes are appropriate and helpful to CITES implementation. Finalise and develop short summaries and recommendations from the analysis of VCS against CITES criteria; develop the recommendations in the VCSs analysed regarding the gaps identified to the relevant standard-holding organisations, based on the analysis

3 CITES + voluntary market measures

Raise attention of the topic in the CITES context to emphasise the opportunities and that the use of voluntary market mechanisms brings to the implementation of CITES. The appropriate CITES fora could include Plants Committee, CITES CoP, and specific intersessional working groups. Once more experiences around the use of VCS for CITES-listed species is available, develop relevant "NDF guidance" and "LAF guidance" based on the experiences and submit to CITES

4 CITES for sustainable and legal trade

Support the development of communication/ fact sheets on what CITES is and isn't, on CITES being a tool to support sustainable and legal trade; and how in certain circumstances voluntary certification can assist CITES implementation

See the information document on this topic on the CITES website at:
<https://cites.org/eng/com/cop/18/inf/index.php>

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This document was generously supported by the German Agency for Nature Conservation (BfN)

