



June 26, 2006

Dear Member of CITES Mahogany Working Group/Plants Committee:

We are writing to express our deep concern over Peru's continued export of bigleaf mahogany (*Swietenia macrophylla*) in violation of the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and to recommend a ban on mahogany imports from Peru pending a Significant Trade Review. We provide the attached report on the trade of bigleaf mahogany since its listing on Appendix II to assist in completion of this Review.

The Natural Resources Defense Council and Defenders of Wildlife have been working to protect this species for more than a decade, advocating for its eventual inclusion on Appendix II at successive meetings of the Conference of the Parties and monitoring its implementation. Over this time, the faces and the venues have changed, but the story has not. No range State has been able to manage sustainably its mahogany populations through domestic controls alone. Instead, driven by the high market value of the species and lack of meaningful exporting and importing country controls, loggers have decimated mahogany stands, leading to the commercial extinction of the species in one country after another. Peru, currently the largest exporter of bigleaf mahogany, is the latest chapter in this story, and unless importing States take action, it will end no differently. To this end, native organizations in Peru and NRDC have brought a lawsuit in the United States to enforce CITES and the Endangered Species Act with respect to the imports of bigleaf mahogany. We believe the Plants Committee has an important role to play in halting the trade in this species by all Parties in violation of the Convention.

The 15th meeting of the Plants Committee (Geneva, May 2005) raised serious issues about the implementation of CITES Appendix II in relation to trade of the neotropical populations of *Swietenia macrophylla* King (Meliaceae). The attached report demonstrates that more than a year after that meeting, and more than three years after the entry into force of the Appendix II listing, Peru's exports do not comply with the requirements of the Convention. In particular, Peru's purported findings of legal acquisition, required by Article IV(2)(b) of the Convention, are not legitimate, as evidenced by the corruption of the concession and transport permit system and proof of rampant illegal logging in protected areas. Furthermore, as originally acknowledged by Peru's Scientific Authority, the failure to complete a local or national population inventory for mahogany renders impossible any attempt to issue a legitimate non-detriment finding, required by Article IV(2)(c). Peru has attempted to

circumvent this requirement by issuing quotas based on estimates of past and current logging, without any consideration of the biology of the species or its role in the ecosystem. Indeed, under pressure from the dominant national and international timber industry lobby, even the most dedicated Peruvian government officials appear powerless to deny export permits for bigleaf mahogany regardless of the source of the wood or impact of its harvest.

However, the responsibility for ensuring compliance rests not only with Peru, but with importing countries—the United States chief among them—which continue to accept Peru’s export permits without verifying whether they have been validly issued.

We urge the members of the CITES Mahogany Working Group and Plants Committee to closely consider the information provided in the attached report and recommend that exports of *S. macrophylla* be suspended until a full Review of Significant Trade can be completed.

Finding of Legal Acquisition

Peru’s Management Authority seeks to justify its finding of legal acquisition by claiming that it verifies the origin of harvested mahogany first through the approval of Annual Operative Plans submitted by each concession and then through the issuance of transport documents that accompany the shipment to port. However, without pre-harvest verification of mahogany stocks present in the concession, most concessionaires can and do claim to have stands of mahogany where none exist, obtaining the difference from protected areas and indigenous reserves and transporting it with falsified documents.

Scientific research and investigations conducted by INRENA, Peru’s Management Authority, confirm these practices. To date, INRENA has performed *post hoc* inspections of 71 forest concessions and permits. Over half, or 43 concessions and permits, were found to be operating illegally. While the initiation of field inspections is a positive step, at the current pace, it will take between five and ten years to inspect all 500 concessions and permits—the same time it will take for the commercial extinction of the species. INRENA has also uncovered evidence that mahogany shipments were transported with falsified documents, identifying more than 50 transport permits which were falsified by writing in mahogany (“caoba”) on the carbon copy of a legitimate permit for a non-CITES species (e.g. “ishpingo”). To enhance transparency and enforcement efforts, we recommend that the Plants Committee ask Peru to provide information linking specific concessions and transport documents to specific CITES export permits.

It is not surprising that INRENA has discovered evidence of falsified Annual Operative Plans reporting inflated volumes of mahogany because several studies have found that there are few commercial stands of bigleaf mahogany left outside of legally protected areas: to date Peru has not provided any information on verified stocks of bigleaf mahogany in concessions. In the absence of such information and a chain-of-custody tracking system, the issuance of export permits by INRENA provides a veneer of legality to wood that is illegally harvested from protected areas and accelerates the commercial, and potentially biological, extinction of the species in Peru.

Non-Detriment Finding

Since the listing of mahogany on Appendix II, Peruvian export permits have been granted without a legitimate non-detriment finding issued by Peru's Scientific Authority, La Molina. La Molina has stated that it did not make a non-detriment finding and could not make one until there was reliable information on the mahogany stocks. In order to provide the necessary information, the International Tropical Timber Organization agreed to finance a population inventory and distribution map of mahogany, with contributions from the United States and WWF. Although funds were approved two years ago, Peru reported that it did not initiate the project, estimated to take 18 months, until January of this year. As a result, the population data will be available in June 2007 at the earliest. Without local or national population inventories, there can be no reliable estimate as to how much mahogany can be sustainably harvested and exported and, consequently, no validly issued non-detriment finding.

Despite the absence of a valid non-detriment finding, Peru's Management Authority established export quotas in 2005 and 2006. These export quotas are based on volumes of mahogany previously logged and estimates of current logging, and not the biology and ecological role of the species.

Consequences of inaction

In listing bigleaf mahogany under Appendix II, the Parties recognized that strict enforcement was necessary to prevent its depletion and eligibility for Appendix I. The Parties also recognized the toll illegal logging was taking on indigenous peoples, including those living in voluntary isolation. The consequences of further delay in enforcing the provisions of the Convention are devastating for the species and for the human victims of illegal mahogany operations.

The reports this year in Peru are alarming: illegal loggers have threatened the lives of leaders of the Montes Salvado indigenous community for their refusal to allow illegal loggers into their community and INRENA officials for attempting to enforce the law; the Ashanika people have formed brigades to protect their territories in the Satipo region from illegal logging; and loggers continue to invade isolated indigenous reserves, causing them to either flee into Brazil or fight back, continuing a history of bloodshed. The violation of human and labor rights are so pervasive that the International Labor Organization issued a report last year in which it described thousands of loggers operating in the Peruvian Amazon in conditions of indentured servitude or outright slavery.

Recommendations

There is no time for further delay. The decline of bigleaf mahogany populations has taken place under the watchful eye of CITES since at least 1994, when the species first entered Appendix III. A moratorium should be put in place now to allow Peru the time it needs to survey mahogany populations, and develop effective management plans and more sustainable export controls, without timber companies pressuring for export permits. It would also allow the CITES Plants Committee to conduct a Significant Trade Review while preserving the status quo.

Much of the work toward such a Review has already been done: information on the biology and management of the species has been compiled; experts have been convened and recommendations issued under the auspices of the current and previous Mahogany Working Group; the Parties and the Secretariat have provided training workshops and financial assistance to aid in the implementation of the listing; the range States have been consulted; and the Plants Committee has had the opportunity to review the information. The attached report is meant to summarize and supplement this work. The 16th meeting of the Plants Committee should be used as an opportunity to undertake additional discussion and consultation with Range States, but Plants Committee members already have at their disposal enough information to justify taking immediate action. We urge the members of the Plants Committee to recommend an immediate suspension of trade in mahogany from Peru until such time when it can be shown that the provisions of the Convention have been implemented and that continued trade in the species will not be detrimental to its survival and role in the ecosystem.

Sincerely,



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