



CITES & LIVELIHOODS CASE STUDY 2022

Guaiacwood Harvesting for Essential Oils in the Paraguayan Gran Chaco



PARAGUAY



GUAIACWOOD / HOLY WOOD
Bulnesia Sarmientoi



APPENDIX II



ENDANGERED



SPECIES, USE, AND TRADE

Guaiacwood is a large, slow-growing tree that is endemic in the Gran Chaco region of Argentina, Bolivia, Brazil, and Paraguay. Part of this region – the Dry Chaco, which covers parts of Argentina, Bolivia, and Paraguay – is characterised by a history of land-use change from forested areas to pastureland and cropland with Paraguay seeing the highest historical rate of land-use change out of the three countries. Paraguayan populations of Guaiacwood are fragmented and are fragmented, yet stable.

Guaiacwood trees produce a fragrant wood which is sought after both locally and internationally. The species is utilised locally for a variety of purposes, including burning to repel insects, as an ingredient for medicines, for fencing and for handicrafts. It is traded internationally predominantly for use in the perfume and essential oil industry but also as wood for flooring and other uses.

Concerns over the sustainability of Guaiacwood harvesting have been raised in CITES since 2006. Paraguay was subject to a Review of Significant Trade process in 2013 and, from 2014, has set export quotas for both guaiac (extract) and timber. Key importers include China, Taiwan PoC, and the European Union (EU). Nevertheless, the EU has a Negative opinion in place for wild-sourced Guaiac from Paraguay, except for six harvest areas. A private company, Nelixia manages one of the harvest areas for which the EU has a Positive opinion, and is applying a set of principles to ensure that harvesting for essential oil is sustainable and ethical. Currently, 4,800 hectares are covered under the management plan, with plans to scale up the area to 20,000 hectares by 2023. Guaiacwood is harvested using low-impact cutting of six trees per hectare and following a harvest cycle of 20 years with a projected harvest of 1,440 trees per year.

Guaiac tree.
Photo: Nelixia, 2022.



LIVELIHOOD BENEFITS

The Paraguayan Chaco is a vast area of land, with a low population density. The resident population includes Indigenous peoples, Mennonites, and immigrants from neighbouring countries. Nelixia's *Bulnesia sarmientoi* management area is not managed by indigenous peoples, but the company contracts people from local communities, for the day-to-day management, including maintenance, harvesting, and transportation. The processing plant also offers employment opportunities to at least 18 local people as well as several apprenticeships for students at the adjacent agricultural school.

Nelixia's Guaiac project also delivers natural capital benefits to various stakeholders including the many landowners in the Chaco by managing the forest sustainably, encouraging regeneration, and protecting biodiversity within it. By demonstrating that sustainable management of forests with Guaiacwood – through non-timber products trade – is possible in Gran Chaco, the project aims to show that natural capital and financial capital can go hand in hand. Without the opportunity to trade internationally, however, benefits would be limited since there is only a small market for Guaiac extract internally in Paraguay.

CONSERVATION IMPACTS

Much of the conventional harvest of *B. sarmientoi* in Gran Chaco is a result of land clearance for agriculture, a legal and lucrative way to deforest and use the land for cattle ranching. As an alternative to this method, Nelixia promotes the sustainable management and conservation of forests in Gran Chaco showcasing that there is value in forests.

The sustainable management programme has also resulted in improved data availability, with the management area monitored each month, using camera traps to monitor the fauna, and monitoring the forest through field visits. This has helped support both the conservation of the species and of the wider ecosystem.

According to Nelixia, the listing of the species in CITES Appendix II has resulted in increased awareness among consumers and producers that sustainable management of the species was urgently needed. Alongside sustainable management plans, certification of CITES-listed ingredients improves traceability. A pilot UEBT verification standard audit took place in 2022 supporting these objectives.

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Guaiac wood.
Photo: Nelixia, 2022.



LESSONS LEARNT AND FUTURE DIRECTIONS

A key lesson learned from this case study is that CITES provides a mechanism for regulating the trade of endangered and threatened species, but the mechanism could benefit from additional auditing regulations to ensure that sustainable and ethical management of these species has been implemented. This would enable CITES Management Authorities to be sure that a raw material that has been exported is really sourced from the management plan that it was approved for. One of the potential ways to ensure this is by implementing a traceability tool and auditing management practices with external bodies (for instance through appropriate voluntary certifications such as UEBT and FairWild).

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