On Wednesday, delegates convened in Council and Committee sessions. The Council met in the morning and in the afternoon to address progress on Objective 2002, sustainable forest management (SFM) in the Congo Basin, forest law enforcement and governance (FLEG) in Africa, matters related to Article 46 of the 1994 International Tropical Timber Agreement (ITTA), and certification. In the afternoon, the Committee on Reafforestation and Forest Management (CRF) addressed, inter alia, forest fires, demonstration areas and the work programme for 2003. The Committees on Economic Information and Market Intelligence (CEM) and Forest Industry (CFI) held a joint session to discuss policy work. The Committee on Finance and Administration (CFA) considered, inter alia, a revised draft 2003 budget and a draft decision on the 2002 administrative budget management.

**COUNCIL SESSION**

**OBJECTIVE 2000: Sustainable forest management in Brazil:** Markku Simula, Finland, presented a report on achieving sustainable forest management (SFM) in Brazil (ITTC(XXXIII)/17). BRAZIL said economic incentives are essential to promote SFM, inter alia, by creating a domestic credit system to promote forest rehabilitation. FRANCE emphasized the need to professionalize the forest sector.

**SFM in the Central African Republic:** Paul Vantomme, FAO, presented a report on an ITTO Mission in the Central African Republic (ITTC(XXXIII)/18), highlighting recommendations including institutional strengthening, local communities involvement and education, and regional cooperation. The US recommended that at the same time it cooperates with the Congo Basin countries. ITTC Chair Blaser called for further research on factors limiting progress towards Objective 2000 and SFM, and urged the submission of national reports on the matter.

**SFM in the Congo Basin:** Henri Djombo, Minister of the Economy, Forestry and the Environment of Congo, presented an SFM partnership in the Congo Basin. He announced plans to develop a Pan-African certification system and recommended an international convention on a phased approach to certification.

**ITTO Executive Director Lobral introduced an overview of the Congo Basin Partnership (ITTC(XXXIII)/13) and a review of experiences in forest management partnerships in the Congo Basin (ITTC(XXXIII)/14).** He highlighted data collection and promotion of ITTO criteria and indicators (C&I) for SFM, and proposed a budget increase of $1.5 million per year for projects.

The Secretariat reported on a regional strategy to improve compliance management, based on participatory management schemes and networks of forestry training agencies. The US stressed its leadership and involvement in the Congo Basin Partnership and commended ITTO’s support to the Partnership.

**FOREST LAW ENFORCEMENT IN AFRICA:** Dirk Bryant, Global Forest Watch, reported on a data collection initiative in the Congo Basin, and overviewed the use of remote sensing and geographic information systems to monitor forest concessions, promote transparency and strengthen the information base for SFM.

Minister Djombo introduced a document on a data collection initiative for the Congo Basin (ITTC(XXXIII)/12), stressing that many African countries lack the means to implement and enforce forest law. He said the goals of the African Forest Law Enforcement and Governance (AFLEG) process include fostering political will to strengthen law enforcement and promoting cooperation. He said the upcoming AFLEG ministerial meeting will negotiate an action plan and a political declaration, and expressed hope that international and intra-African trade of forest products will promote SFM. The WORLD BANK outlined the history of the FLEG process in Asia and Africa, and plans for similar processes in other regions. The US said that ITTO can contribute greatly to the FLEG process.

**MATTERS RELATING TO ARTICLE 46 OF ITTA, 1994:**

**New and emerging issues:** Ruben Guevara-Moncada, Honduras, presented new and emerging issues of relevance to the ITTC and a future ITTA (ITTC(XXXIII)/6), highlighting: demand for timber from legal and sustainable sources; South-South trade; foreign direct investment in forest interests; interest in forest products and environmental services; and genetically modified organisms and invasive species. Regarding a new ITTA, Guevara-Moncada said members should consider, inter alia, the implications of including high value-added products and environmental services within the scope of the new agreement, and consolidating the objectives of ITTO. The PHILIPPINES, GHANA and the EU expressed concern with expanding ITTA’s scope. The REPUBLIC OF KOREA requested the ITTO to fully consider the need for a Phase II consensus. MALAYSIA recommended that the ITTO remain a commodity organization and stressed the need for market access. NEW ZEALAND underscored the importance of, inter alia, C&I for SFM, certification, clean development mechanism reforestation initiatives, and complementarities between timber and non-timber forest products. The EU recommended that poverty alleviation be a central goal of the new ITTA. PAPUA NEW GUINEA and GHANA highlighted the importance of forest products for poverty alleviation, with PAPUA NEW GUINEA recommending that SFM remain a core ITTO objective. SWITZERLAND stressed the need for compliance and enforcement mechanisms.

**Process and schedule of Council sessions and ITTA renegotiations:** The Secretariat introduced recommendations from the Informal Advisory Group on a process and schedule for Council sessions and ITTA renegotiations (ITTC(XXXIII)/2 Annex). JAPAN, supported by NEW ZEALAND, the EU and BRAZIL, called for completing negotiations by 2005. FINLAND and NEW ZEALAND, the EU and the PHILIPPINES recommended informal joint consumer/producer meetings prior to ITTC-34. The US suggested, inter alia, preliminary processes to seek members’ views on the ITTA scope and text. SWITZERLAND suggested that negotiations be co-chaired by representatives from consumer and producer countries. Chair Blaser highlighted the need for a resolution on extending the ITTA, 1994.
CERTIFICATION: On a report on phased certification (ITTC(XXXIII)/9), JAPAN said that certification can help curb illegal logging, and suggested studying the use of existing certification standards. INDONESIA supported phased certification in both producer and consumer countries, and called for consistency of national certification schemes, and separating auditing and producer and consumer countries, and called for consistency of national certification schemes.

NEW ZEALAND noted a conflict between the ITTO’s intention to facilitate certification and its reluctance to endorse any particular scheme. CAMEROON and the EU questioned the need for phased certification, with CAMEROON recommending “direct” certification. The UK called for analyzing the pros and cons of differentiating stages of compliance with SFM. MALAYSIA called for consumer flexibility on standards and, with MEXICO, supported phased approaches. The REPUBLIC OF KOREA cautioned against high and inflexible certification standards. The REPUBLIC OF CONGO opposed giving full control over certification to forest owners. The FOREST STEWARDSHIP COUNCIL called for flexible approaches, and the ASSOCIATION OF INDONESIAN FOREST CONCESSION HOLDERS for compliance mechanisms.

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

DEMONSTRATION AREAS AND PRE-PROJECTS WORK PROGRESS: The US said that informal consultations led to termination of the SFM project in Panama. The Committee extended a project on forest fire management in Côte d’Ivoire.

POLICY ISSUES: Forest fires: Delegates heard presentations on: current efforts and options for ITTO projects on forest fire management; the upcoming International Wildland Fire Conference and Wildland Fire Summit; and cooperation between the ITTO and the Global Fire Monitoring Centre. The US said forest fire management is an essential SFM tool and, with the PHILIPPINES, stressed the need for community-based approaches. He called for addressing the underlying socio-cultural causes of forest fires. The EU stressed the need for a holistic approach to land-use planning. The Secretariat introduced, and delegates supported, a draft decision on the management of the administrative budget for 2002 (ITTC(XXXIII)), authorizing ITTO Executive Director to transfer up to US$300,000 from the Working Capital budget for 2002 (ITTC(XXXIII)), authorizing ITTO Executive Director to transfer up to US$300,000 from the Working Capital Account to the Administrative Account to meet the shortfall.

OTHER BUSINESS: The Secretariat noted that the issuance of Panamanian visas for ITTC-34 may be problematic. PANAMA explained that discussions were already underway to facilitate issuance of visas upon arrival.

IN THE CORRIDORS

An unexpectedly long Council session led some delegates to speculate that prolonging sessions beyond schedule was a deliberate move to allow time to resolve outstanding controversies on certification and the future of the ITTA, “in the corridors.” Despite discussions on certification and their recent formal involvement in ITTO proceedings through the Civil Society Advisory Group, some NGO delegates expressed lack of enthusiasm for ITTC-33, while acknowledging that procedural issues on ITTA’s renegotiation and streamlining of ITTO’s work are necessary for institution strengthening. Some delegates wonder why environmental NGOs have returned in such large numbers, noting that they have offered few contributions thus far.

THINGS TO LOOK FOR TODAY

TRADE ADVISORY GROUP MEETING: The Trade Advisory Group will meet at 9:00 in the Secretariat Meeting Room.

COMMITTEE SESSIONS: The CFI will meet from 9:30-10:30 in the Committee Room to, inter alia, finalize work on projects and pre-projects and adopt its report.

DRAFTING GROUP MEETINGS: An Open-ended Informal Drafting Group will convene from 10:30-12:30 and 17:00-18:30 in the Informal Meeting Room.

BALI PARTNERSHIP FUND PANEL MEETING: The Panel on Sub-Account B of the Bali Partnership Fund will convene during lunch break in Room 313.

COUNCIL SESSION: The Council will convene from 13:30-17:00 in the Plenary Hall to, inter alia, continue discussions on ITTA’s renegotiating process, forest law enforcement, certification and consider CITES listing proposals.