

SUMMARY OF THE FORTY-FOURTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED SESSIONS OF THE FOUR COMMITTEES: 3-8 NOVEMBER 2008

The forty-fourth session of the International Tropical Timber Council (ITTC-44) took place from 3-8 November 2008, in Yokohama, Japan. Delegates discussed issues concerning operational, project and policy work for 2008-2009, including, *inter alia*: Thematic Programmes; the International Tropical Timber Organization (ITTO) Biennial Work Programme for 2008-2009, ITTO Objective 2000, and the ITTO Action Plan. A group of delegates convened in an Open-Ended Drafting Group to develop decisions, including on the use of Thematic Programmes.

Delegates also convened the forty-second sessions of the Committees on Economic Information and Market Intelligence, Forest Industry, and Reforestation and Forest Management to approve projects and pre-projects, review projects and pre-projects under implementation and *ex-post* evaluations, and conduct policy work. The twenty-third session of the Committee on Finance and Administration also met to discuss, *inter alia*, the administrative budget, the current status of the Administrative Account, and resources of the Special Account and the Bali Partnership Fund. US\$3.5 million was announced for a new programme on reducing deforestation and forest degradation in the tropics, and an additional US\$5.1 million in funding for new projects promoting the sustainable management, use and trade of tropical forest resources.

Nearly three years after adoption, the entry into force of the International Tropical Timber Agreement (ITTA), 2006, remains elusive, with only ten Producer and seven Consumer members having taken steps to ratify the agreement. However, the successful adoption of a decision on Thematic Programmes may serve to attract funding, build confidence in the ITTO and attract further ratifications of ITTA, 2006. Although a heated debate over the issue of frequency and location of Council sessions revealed underlying tensions between Producers and Consumers, both sides demonstrated the ability to compromise to achieve consensus-based decisions.

A BRIEF HISTORY OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

The International Tropical Timber Agreement (ITTA) was negotiated under the auspices of the United Nations Conference on Trade and Development (UNCTAD) to: provide an effective framework for cooperation and consultation between countries producing and consuming tropical timber; promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market; promote and support research and development to improve forest management and wood utilization; and encourage development of national policies for the sustainable utilization and conservation of tropical forests and their genetic resources and for maintaining the ecological balance in the regions concerned.

The ITTA was adopted on 18 November 1983, and entered into force on 1 April 1985. It remained in force for an initial period of five years and was extended twice for three-year periods. The Agreement was renegotiated during 1993-1994. The successor agreement, the ITTA, 1994, was adopted on

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26 January 1994, and entered into force on 1 January 1997. It contains broader provisions for information sharing, including on non-tropical timber trade data, allows for consideration of non-tropical timber issues as they relate to tropical timber; and includes the ITTO Objective 2000 for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000. The ITTA, 1994 also established the Bali Partnership Fund (BPF) to assist Producer members in achieving the Year 2000 Objective. Initially concluded for four years, the ITTA, 1994 was extended twice for three-year periods and was extended indefinitely in 2007.

In 2003 negotiations began on a successor agreement to the ITTA, 1994. The ITTA, 2006 was adopted in Geneva on 27 January 2006. The ITTA, 2006 builds on the foundations of the previous agreements and focuses on the world tropical timber economy and the sustainable management of the resource base, simultaneously encouraging the timber trade and improving forest management. It also allows for the consideration of non-tropical timber issues as they relate to tropical timber.

The ITTA, 1983 established the International Tropical Timber Organization (ITTO), headquartered in Yokohama, Japan, which provides a framework for tropical timber producer and consumer countries to discuss and develop policies on issues relating to international trade in, and utilization of, tropical timber and the sustainable management of its resource base. The ITTO also administers assistance for related projects. The ITTO has 60 members, including the European Community (EC), which are divided into two caucuses: producer countries (33 members) and consumer countries (27 members). The ITTO's membership represents 90% of world trade in tropical timber and 80% of the world's tropical forests.

The governing body of the ITTO is the International Tropical Timber Council (ITTC), which includes all members. Annual contributions and votes are distributed equally between producers and consumers. The Council is supported by four committees, which are open to all members and provide advice and assistance to the Council on issues for consideration and decision on: Economic Information and Market Intelligence (CEM); Reforestation and Forest Management (CRF); Forest Industry (CFI); and Finance and Administration (CFA).

ITTC-40: The 40th session of the ITTC met from 29 May to 2 June 2006, in Mérida, Mexico. Delegates heard presentations on the market for certified timber in the US and Europe, and received a report on the status of tropical forest management. The Council approved 18 projects and three pre-projects and allocated US\$3.9 million in project funding. The Council also decided to allocate US\$200,000 to help fund the First International Conference of Members of Parliament on the Sustainable Management of Central African Forest Ecosystems in Yaoundé, Cameroon.

ITTC-41: The 41st session of the ITTC met from 6-11 November 2006, in Yokohama, Japan. The Council approved 13 new projects and granted funding for 11 projects and seven pre-projects. Additional funding from the European Commission was allocated to support capacity building in ITTO member states for the implementation of CITES listings of timber species. The Council adopted a decision to extend the ITTA, 1994, which also provides for a review of the status of deposits of instruments of

ratification, acceptance, approval or accession to the ITTA, 2006, as well as other provisions of the decision at Council Sessions held between 2007-2009 and for consultations to be undertaken by the Secretary-General of the U.N. if the ITTA, 2006 did not come into force by 1 September 2008.

ITTC-42: The 42nd session of the ITTC met from 7-12 May 2007, in Port Moresby, Papua New Guinea. The Council selected Emmanuel Ze Meka, Cameroon, as the new Executive Director of the ITTO. Delegates also discussed issues concerning operational, project and policy work, including: forest law enforcement in the context of sustainable timber production and trade; CITES listing proposals; ITTO guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests; civil society/private sector partnerships for sustainable forest management; and developments in the UN Framework Convention on Climate Change (UNFCCC) regarding forests.

ITTC-43: The 43rd session of the ITTC met from 5-10 November 2007, in Yokohama, Japan. The Council approved: the Biennial Work Programme for 2008-2009; funding for studying the linkages between climate change and tropical forests; and Guidelines on the Conservation and Sustainable Use of Biodiversity in Tropical Timber-Producing Forests. The Council also approved draft Rules of Procedure and Financial Rules of Procedure, to be considered at the first meeting of the ITTC after the ITTA, 2006 enters into force.

ITTC-44 REPORT

ITTC-44 Chair Katharina Kuehmayer (Austria) opened the Council Session on Monday, 3 November 2008. Kuehmayer asked delegates to observe a moment of silence in honor of Patricia Hanashiro of ITTO who passed away in February 2008. She thanked the Government of Japan and the City of Yokohama for their hospitality in hosting the annual Council sessions, and highlighted issues to be considered at ITTC-44, including: entry into force of the International Tropical Timber Agreement, 2006; effective utilization of the discussions from the Accra meeting on Operational Modalities; operationalization of thematic programmes (TPs); and the scheduling and frequency of future Council sessions.

ITTO Executive Director Emmanuel Ze Meka noted ITTO's increased cooperation with the City of Yokohama, including an environmental education programme. He commended the success of the meeting on Operational Modalities of Future Work of the ITTC held in Accra, Ghana, from 9-12 June 2008, and highlighted outcomes including the approval of US\$3.4 million for the funding of projects, pre-projects and fellowships. He highlighted intersessional work, including on: the Biennial Work Programme (BWP) 2008-2009; collaboration with a number of UN organizations, including the United Nations Framework Convention on Climate Change (UNFCCC), the Convention of Biological Diversity (CBD) and the Convention on the International Trade of Endangered Species (CITES); and increasing private sector interest in funding carbon offset activities through the ITTO. He lamented that relatively few member countries had taken steps to ratify the ITTA, 2006 and suggested that the Council discuss steps to further promote the entry into force of the agreement.

Hiroshi Nakada, Mayor of Yokohama, welcomed participants, highlighting the ITTO-Yokohama partnership on protecting global forests and environment. He noted that the ITTO's mission includes resource preservation, development, and global environmental services such as global climate, biodiversity, and water resources.

Emile Doumba, Minister of Forest Economy, Water, Fisheries and National Parks, Gabon, noted strong ties between Yokohama and Africa, but cautioned against the risks to sustainable development posed by the current world economic crisis, which has reduced funding and lending for activities such as certification. He cautioned against imposing conditionalities on market access, called for a study to identify niche markets for overstock, and suggested that the Council discuss redefining the functions of ITTC committees.

Elvis Ngolle Ngolle, Minister of Forests and Wildlife, Cameroon, described the political and strategic framework that Cameroon has developed in order to implement sustainable forest management (SFM) and ensure that it contributes to poverty reduction, rural development and combating illegal logging, and announced Cameroon's ratification of the ITTA, 2006. He lamented that the current global financial crisis is already impacting the forest sector due to decreased demand and investment in the forest sector.

Kunio Naitou, Director-General, Forestry Agency of Japan, welcomed participants on behalf of the Government of Japan. He highlighted the role of tropical forests in addressing climate change and the need for the environmental benefits of forests to be reflected in related economic activities. He expressed concern that ITTA, 2006 had not yet entered into force, stressing that it was needed as it: better addresses issues facing producer countries; provides a stronger accounting system that could extend the donor base; and is needed to strengthen the international image of the ITTO. He said Japan would welcome provisional entry into force of the ITTA, 2006 to promote accessions to the Agreement.

Don Koo Lee, International Union of Forest Research Organizations (IUFRO), noting the memorandum of understanding between the ITTO and IUFRO, expressed pleasure at the collaboration between the two organizations but he stressed the need for increased capacity building and hoped that future work will continue to facilitate the exchange of views between scientists and market experts. He stressed the need for new approaches and strategies to be developed for identifying opportunities between ITTO and IUFRO.

ORGANIZATIONAL MATTERS: Executive Director Ze Meka noted that a quorum for the meeting had been attained. On the adoption of the agenda of work (ITTC(XLIV/1)), Brazil requested that an agenda item regarding UNFCCC developments relating to tropical timber be excluded. Chair Kuehmayer, noting that this topic was included in the BWP 2008-2009, suggested that the agenda be adopted without amendment. Delegates agreed.

On the status of membership in the ITTC, Ze Meka noted there are still 60 country members, including 27 Consumers and 33 Producers. On the proposed distribution of votes for 2008, the

Chair noted an annex to the agenda on members' contributions to the 2009 budget. On admission of observers (ITTC(XLIV)/Info.3), the Council admitted all observers with no objection.

The European Commission (EC) requested concrete follow-up at ITTC-44 on the Accra discussion on modalities for implementing TPs and on committee functions, noting that TPs will increase visibility and new funding. He also noted new EC policies on illegal logging and sustainable timber.

COUNCIL SESSIONS

The Council met throughout the week to consider issues concerning operational, project and policy work. Discussions on the entry into force of the ITTA, 2006, and modalities and profiles of TPs took place from Tuesday to Friday in informal groups. The following summary is organized according to the agenda.

REPORT OF THE INFORMAL ADVISORY GROUP:

On Monday, Chair Kuehmayer presented the Report of the 22nd Informal Advisory Group meeting (ITTC(XLIV)/2), held on Sunday, 2 November 2008, which included a list of possible decisions to be considered at ITTC-44. In response, Malaysia said that it intended to ratify the ITTA, 2006 as soon as possible, noting the importance of financial resources for implementation. Japan reserved the right to amend the list of decisions to be considered. Indonesia called for countries to work together to ensure that the current global financial crisis does not threaten gains achieved in SFM, and stated that Indonesia will soon ratify the ITTA, 2006.

CITES LISTING PROPOSALS BY MEMBERS: On Wednesday afternoon, the Secretariat noted that there were no new CITES listing proposals. He highlighted that future listing proposals by members may be affected by ITTO's requirement that proposals be first submitted to the Organization, and that in this case, the Executive Director would then hold consultations with other members on the matter. In light of this, he said that the Council may wish to reconsider Decision 3(XVI).

On ITTO collaboration with CITES, the Secretariat said activities are already underway, with more projects to be initiated within the next three months. Steven Johnson, on behalf of the CITES Secretariat, noted that collaboration is a key mechanism for building a strong working relationship on trade in timber species.

REPORT ON THE MEETING ON OPERATIONAL MODALITIES OF FUTURE WORK OF THE ITTC:

On Monday, Chair Kuehmayer presented the report on the meeting held in Accra, Ghana, from 9-12 June 2008 (Decision 6 (XLIII)), and summarized the key discussions that had taken place. She highlighted the report on operational modalities of future work, prepared and presented by Alhassan Attah and Stephanie Caswell, consultants to ITTO, which served to inform working group discussions on operationalization of TPs and the function and scope of the Committees. Concerning discussions on the six-month project cycle and scheduling of future Council sessions, she reminded delegates that a decision would need to be made at ITTC-44.

In the ensuing discussion, several countries expressed support for semi-annual Council sessions. Norway, with Switzerland and the US, supported pilot implementation of TPs. The US further highlighted that this initiative could help attract donors.

The Philippines requested more information and clarity regarding the TPs' focus and the timeframe for implementation of the pilot programme. Cameroon, supported by the Republic of Korea, favored reaching a draft decision on TPs at this session. The Republic of Korea, supported by Ghana, emphasized the need to differentiate a new sub-account for the funding of TPs. Malaysia bemoaned the current lack of project funding, and expressed concern that the TPs will determine donors' priorities. Ghana suggested that funding under the TPs should be additional and separate from existing funding windows, while Guatemala encouraged donors to be transparent and equitable in their contributions.

On Tuesday, Switzerland proposed forming a contact group to discuss the TPs and draft a decision for the Council. Ghana, on behalf of Producers, supported the idea, noting that funds for TPs should not detract from traditional ITTO projects and its core mandate. The US, supported by the Chair, proposed that the contact group first define the operation modalities of the TPs, and follow this with themes for programmes. Chair Kuehmayer nominated Jan Abrahamson (Norway) to chair this working group.

On Thursday, Abrahamson announced that the informal group on TPs had succeeded in its deliberations on modalities and themes for TPs and had produced a draft decision. He proposed, and Council agreed, that this be submitted to the drafting group for formulation into a decision for consideration at Council.

ENTRY INTO FORCE OF THE ITTA, 2006: On Tuesday, Executive Director Ze Meka reported on progress on entry into force of the ITTA, 2006 (ITTC(XLIV/7)). He noted that 37 member countries had shown interest in signing the agreement, including the EC, but that only 17 have completed the accession process: ten producers and seven consumers. He urged members to discuss the matter fully at ITTC-44.

Ecuador noted its ratification of the ITTA, 2006 on 22 October 2008 and said the instrument was in the process of being deposited at UN headquarters. Gabon highlighted that it had deposited the instrument, and the Republic of Korea, the Congo, Cambodia, China and Canada announced progress towards ratification. Cameroon highlighted the lag time between ratification and deposit of the instrument. Switzerland, on behalf of Consumers, proposed that the Council takes a decision to enhance efforts of the entry into force of the ITTA, 2006. Japan urged the Secretariat to poll member countries on the status of their ratification process. The Philippines supported the commitment of members in attaining the entry into force of the Agreement, but cautioned that ratification of the agreement entails certain responsibilities.

Ze Meka responded that the ten Producers that had acceded to the ITTA, 2006 represent only 18% of the vote, and the seven Consumers, only 28.48%. The Philippines asked whether other countries might be applying the Agreement provisionally. Ze Meka replied that countries must submit an instrument to that effect to the UN.

South Africa announced its signing of the ITTA, 2006 and pending membership in the ITTO.

The EC announced the deposit of its provisional application instrument and said all EU ratifications are expected by early 2009. Chair Kuehmayer congratulated those countries and encouraged a decision session on the expeditious entry into force of the ITTA, 2006 at ITTC-44.

ITTO BIENNIAL WORK PROGRAMME PROGRESS REPORT: On Thursday, Ze Meka presented a progress report on the implementation status of the BWP (ITTC(XLIV)/8) in administrative, project and strategic activities. He noted progress in numerous collaborative activities between the ITTO and UNFCCC, UN Food and Agriculture Organization (FAO), CITES, UNFF and the New Partnership for Africa's Development, and reported on training activities, workshops and consultancies that had been carried out under the BWP. He stated that on promoting forest law enforcement, a project to develop a compendium of the current state of national technologies for monitoring illegal logging and related trade was on hold pending financing. On the status of a project to consider results and carry out an assessment and evaluation of technical diagnostic and planning missions authorized under Decision 2(XXIX), the Philippines asked for clarity regarding the employment of local consultants to carry out assessments. Ze Meka responded that in countries not carrying out in-depth assessments, the employment of local consultants would simply involve data collection. Liberia thanked the Secretariat for assistance in formulating two project proposals.

ITTO/IUCN BIODIVERSITY GUIDELINES: On Tuesday, the Council addressed conservation of biodiversity in tropical timber-producing forests (ITTC (XLIV)/9). Jeffrey Sayer (IUCN) introduced the final draft of the Guidelines for the Conservation of Biodiversity in Tropical Timber Production Forests. He said this revision and update of the original 1993 Guidelines resulted from three years of consultations, review, and field trials, and incorporated comments from Japan, Malaysia, France, the US and New Zealand. He noted constraints in the implementation of the Guidelines, including: lack of capacity for conducting biodiversity surveys; cost of specialized staff; the private sector's aversion to new regulations; and the potential for increased scrutiny from environmental groups. He also noted the opportunities the Guidelines provide for recognizing and supporting companies, NGOs, the ITTO, and ITTO members for preserving biodiversity. He recommended more field experience, lesson sharing and dissemination of results, and called for: approving, publishing and promoting the Guidelines; encouraging their implementation by operators and organizations; and providing technical support and training. He noted new climate change-related challenges, including pests, diseases and invasive species, but said climate change may increase biodiversity's value for forest managers.

The Netherlands, with the UK, Guatemala, the EC, Malaysia, Indonesia, the Philippines, Brazil, Cameroon, Switzerland, Japan, the US, Ecuador, Papua New Guinea, IUFRO and the Tropical Forest Foundation, commended the Guidelines' authors. He said they may widen the ITTO's audience and encourage dialogue between NGOs and the private sector, noting that ITTO-CBD cooperation will foster project funding from the Global Environment Facility. With the US, he asked about co-financing possibilities, to which Ze Meka responded positively. With the

US, the UK urged that any decision-specific funding should go to piloting the use of the Guidelines rather than consultations and workshops.

Guatemala and Cameroon urged consideration of affected human populations, with the Philippines noting the need for funding for stakeholder education and government adaptation of the Guidelines. Brazil requested time for more comments. Sayer noted an increased recognition of local peoples compared to the 1993 Guidelines and said more explicit support of their interests and rights over biodiversity was limited by the reluctance of people involved in the process. He acknowledged a need for more work on community forestry. The Guidelines were adopted during the closing plenary of the Council (Decision 6(XLIV)).

ITTO OBJECTIVE 2000: On Thursday, the Council met to hear presentations on assisting Producer countries to identify the barriers to SFM and formulate strategies to overcome these constraints under the BWP and ITTO Objective 2000 (Decision 2(XXIX)). Paul Vantomme, ITTO consultant, reported on a diagnostic mission to Côte d'Ivoire (ITTC(XLIV)/11) and noted that population growth, an influx of illegal immigrants, firewood reliance and harvesting, lack of clarity over land ownership, and lack of forest enforcement and training capacity all hinder SFM. He noted the government's strong commitment to address these issues. His recommendations to Côte d'Ivoire included: updating forest policy; increasing the attention given to listed forests; clarifying land ownership issues for forests; strengthening forest education; and diversifying forest production by increasing tertiary-level processing. Recommendations for the ITTO included: sharing experiences on land ownership issues; assisting in the development of agro-forestry for immigrants in order to mitigate slash-and-burn practices; and lending assistance in the development of the tertiary processing industry, forest certification and in applying criteria and indicators (C&Is). Côte d'Ivoire thanked the ITTO for the work done and noted its ongoing efforts toward SFM.

Tanyi Mbianyor Clarkson and Olav Bakken Jensen, ITTO consultants, reported on a diagnostic mission to Togo (ITTC(XLIV)/12). Jensen noted an impressive desire for SFM among the Togolese. He noted the need for: new legislation; more personnel; elimination of irregularities in timber harvesting and processing; better coordination; better access; and greater transparency. He noted widespread corruption and illegal logging and exporting but also commended Togolese efforts to improve the situation. His recommendations included: developing a manual on forestry use; eliminating corruption; and broadening public participation. He also suggested that the ITTO strengthen ties to Togo, including further financing and capacity building. Togo commended the report.

ITTO ACTION PLAN: On Tuesday, Alhassan Attah, ITTO consultant, presented the draft revised ITTO Action Plan 2008-2013 (ITTC(XLIV)/13). He highlighted that the Action Plan reflects the expanded scope of the ITTA, 2006, and attempts to strike a balance between being a public document and one that serves the organization's needs. He highlighted key components of the Action Plan, including thematic priorities, cross-cutting issues, and priority actions. Attah proposed the creation of an open-ended informal group to discuss the draft Action Plan, with the expectation that it will be adopted at this session.

The EC, supported by Switzerland, Japan, the Republic of Korea and Cameroon, highlighted the need for coherence between the Action Plan and the draft decision on TPs. Australia supported the inclusion of illegal logging and payment for environmental services in the Action Plan. The US said that the Plan was overly dense and should be more publicly accessible. Brazil said that many of their comments were not reflected in the current draft, and that she would address these in the informal group. The decision (Decision 4(XLIV)) was adopted during the closing plenary.

DEVELOPMENTS IN THE UNFCCC REGARDING FORESTS: On Wednesday, Jürgen Blaser, ITTO consultant, presented a report on developments in the UNFCCC regarding forests and their potential implications for tropical forests and the world tropical timber economy, as per Decisions 2(XXXIX) and 1(XLI), and a report on the International Expert Meeting on Addressing Climate Change through the Sustainable Management of Tropical Forests, held in Yokohama from 30 April to 2 May 2008 (ITTC(XLIV)/14). On UNFCCC developments, he described the strong role of forests on the UNFCCC agenda. He highlighted that SFM, reforestation and forest rehabilitation increase the resilience of forest ecosystems and support their ability to adapt to climate change. He noted that these activities also sequester or avoid the release of carbon, and thus support the role of forests in mitigation. He noted that forests were already included in the Kyoto Protocol's first commitment period (2008-2012), that the second commitment period is under negotiation, and that the role of forests could be expanded for that period. He noted challenges on the modalities for including forests and carbon monitoring within them. He noted that large amounts of funding are available for reduced emissions from deforestation and forest degradation (REDD) and that its role within the UNFCCC was being considered. He emphasized the complementary role that the ITTO could play, using its institutional capacity to inform and assist the UNFCCC, and said that the UNFCCC could contribute additional funding towards ITTO's reforestation and rehabilitation activities.

On the International Expert Meeting, he noted key messages that emerged, including that: reforestation and SFM can play a strong role in the climate change agenda; measures are required to assist forest communities' adaptation efforts; SFM can increase the resilience and adaptive capacity of tropical forests; forestry holds strong bio-energy potential; and the ITTO is well positioned to encourage members to develop forest-based climate change measures.

In the subsequent discussion, Brazil stated that the ITTO's mandate does not cover climate change, suggesting that some of the climate change data cited was controversial. Japan, with Malaysia, queried whether the costs of SFM can be offset with carbon sequestration funding. Some countries highlighted current and potential roles for the ITTO on climate change, including monitoring carbon stock changes (the Philippines, Papua New Guinea); developing the Collaborative Partnership on Forests' strategic framework and a forest restoration TP (Switzerland, Liberia); capturing funds from carbon markets and/or payment for environmental services from commercial forests (Colombia, Cameroon, Papua New Guinea); and conducting global reviews of best practices (Indonesia). The EC announced potential

long-term resources from emission trading schemes in the long term to halt deforestation. Blaser said the ITTC can encourage incentives for harvesting wood sustainably and that developing countries can access funds and mitigate climate change without making commitments.

The Chair called for an ITTC-44 decision on this topic, but no decision was achieved.

ITTO Children's Education Programme: The Secretariat presented a proposal from the Executive Director to establish an environmental education programme on tropical forests for school children. He stressed that as part of the "back to nature" movement it is important to educate children while they are open to new ideas. He noted that the project would fall under two activities of the BWP 2008-2009 for increasing educational activities and contributing to programmes for the adaptation and mitigation of climate change. Outlining specific activities, he said the programme would include: a conference and review of activities; development and dissemination of materials; and forest schools and education camps.

The Republic of Korea, with Indonesia, Malaysia, Colombia, Côte d'Ivoire, Cameroon, Panama, Guatemala and Ecuador, supported the programme. Japan expressed its intention to continue to support such educational efforts. Brazil said the programme should extend its focus to include a greater emphasis on SFM and less on climate change. Guatemala recommended adapting it to regional contexts, such as Latin America, in the future.

Capturing Funds from Carbon Markets: Steven Johnson, ITTO Secretariat, presented on capturing funds from carbon markets to promote sustainable management of tropical forests (ITTC(XLIV)/16). He noted: growing private sector interest in carbon offset projects in tropical forests; ITTO projects in forest rehabilitation and reforestation already offsetting carbon; and opportunities for ITTO to benefit from this growing interest. He proposed that the Council consider options to meet these growing demands and perform a feasibility study on establishing a carbon fund mechanism in the ITTO and report on guidelines and design aspects of the mechanism to report to ITTC-45.

MEASURES TO IMPROVE THE PROJECT CYCLE: James Gasana, ITTO consultant, presented on measures to improve the project cycle (Decision 3(XXXVII), including the revision of manuals and guidelines, and the development of a project formulation software tool (ITTC(XLIV)/17). He said that the majority of comments received during the consultation period were directed at the ITTO Manual for Project Formulation. Guatemala, Indonesia, Japan, and the US supported the revised manual, saying that it has been significantly improved, and suggested disseminating it widely.

PROMOTION OF TRADE: Me Kouame Martial, Côte d'Ivoire, presented on assistance received by Côte d'Ivoire to develop a traceability system for legally harvested timber. He noted that implementation of this pilot system was successful, had led to an increased knowledge of forest resources and potential, and was controlled and efficient. He recommended that additional software functions, more attention to staff training and an increased duration would improve the project. He identified the cost of the mobile monitoring equipment and complexity of the system as potential barriers to expanding the system.

In response to a query from the Congo, Martial explained that a system of barcodes is used to trace the logs as they are processed. In response to a question from Papua New Guinea, he said that the majority of the costs of the tracking system are associated with the purchase of hand-held monitoring devices. The Philippines suggested that the use of off-the-shelf software might decrease the costs.

REPORT OF THE ITTO FELLOWSHIP SELECTION

PANEL: On the status of the Fellowship Fund, the Secretariat reported that 439 fellowships have been awarded, totaling approximately US\$2.5 million (ITTC(XLIV)/8). He noted that 32% of the fellowships were from Africa, and 35% were female. He also stressed that 46% were awarded for postgraduate programmes.

On the report of the ITTO Fellowship Selection Panel, the Secretariat reported that the Panel recommended that 23 applications be approved, subject to the availability of funds. He noted that 30% of the applications were female.

DRAFT ANNUAL REPORT 2007: The Secretariat presented the Draft Annual Report for 2007 (ITTC(XLIV)/4), including a summary of policy and project work that had been accomplished. He also highlighted that nearly US\$10 million in additional funds had been voluntarily contributed to the Special Account and the Bali Partnership Fund, and that the ITTO awarded 50 fellowships, worth a total of US\$300,000, in 2007.

SPECIAL ACCOUNT AND THE BALI PARTNERSHIP FUND: On Saturday, Chair Kuehmayer opened the floor for the announcement of voluntary contributions to the Special Account and the Bali Partnership Fund, but no interventions were forthcoming.

STATEMENTS OF OBSERVERS: On Tuesday, Jan Heino, FAO, noted the ongoing collaboration between the ITTO and FAO, stressing that the organizations have benefitted from the alignment of their current biennial work programmes. He highlighted a number of joint efforts, including: the global forest resources assessment; the collection and compilation of data on consumption, production and trade; workshops on wood-based bioenergy; and joint case studies on small and medium forest-based enterprises.

He noted the FAO's interest in contributing to an ITTO-planned conference on forest tenure, and said collaboration on forest biodiversity conservation had already resulted in the organization of a number of joint events. He also expressed appreciation for ITTO's contribution to the Asia-Pacific Forest Week and said FAO was looking forward to collaborating on emerging forest sector climate change issues.

Barney Chan, Trade Advisory Group (TAG), stated that the global timber trade has been affected severely by the worldwide financial crisis, noting the decrease in exports from Bolivia, Malaysia, Papua New Guinea and Africa. He urged the ITTO to promote the use of timber and forest products to increase market demand, and to take a leading role in helping to consolidate standards for legally harvested timber.

Mahendra Joshi, UNFF, in his statement to the Council, noted the valuable support of the ITTO to the UNFF and commended it for its active membership in the Collaborative Partnership on Forests. He highlighted the adoption of the Non-Legally Binding Instrument on all types of forests at UNFF-

7, and emphasized that it seeks to achieve the Four Global Objectives on Forests. Joshi noted that discussions at UNFF-8 will focus on financing mechanisms for SFM, in addition to climate change and adaptation, biodiversity, and deforestation. He outlined three country-led initiatives that had taken place during 2008, on: regional priorities for forestry; forest governance and decentralization; and financing SFM. He assured the Council that the UNFF has committed itself to continue working with the ITTO and building capacity for SFM.

JOINT COMMITTEE SESSION

The Joint Committee, chaired by Michele Mire (US), met on Monday, Tuesday and Wednesday to discuss the Report of the Expert Panel (EP) and the results of *ex-post* project evaluations and the Annual Market Discussion, convened by the TAG.

REPORT OF EXPERT PANEL: On Monday, Bipin Behari (India) presented the Report of the EP for Technical Appraisal of ITTO Project Proposals (CEM, CRF, CFI, CFA (XLII)/1). He stated the basis for the terms of reference for the EP and outlined the new appraisal system that was used by the EP for assessing project and pre-project proposals. He noted that 37 and 43 proposals were assessed during the thirty-fifth and thirty-sixth sessions of the Panel, respectively. Behari highlighted a number of weaknesses in the proposals, including: a lack of focus on production of project proposals in pre-project proposals submitted; lack of support from partner countries for the submitted transboundary proposals; lack of a full consideration of project risks; and inadequate employment of stakeholders during project development and implementation.

He highlighted a number of specific findings of the thirty-fifth session of the EP, regarding, *inter alia*: the inadequacy of explanations for land tenure and property rights, and the operationalization of the new appraisal technique and scoring system. He noted specific findings of the thirty-sixth session, including that: the quality of project and pre-project proposals has improved significantly; the revision of proposals often does not reflect changes recommended by the EP; and the scoring system requires careful attention.

In the ensuing discussion, the Philippines expressed doubt regarding the completeness of the new rating system and requested more transparency when scoring different country proposals. Guatemala requested clarification regarding projects that have funding approval but do not receive funds. The UK noted that project proposals were improving over time, and that professional and subjective opinion should be retained while using the numerical system simply as a useful tool.

In response to the comments, EP Chair Behari stated that the new appraisal system was used as an experiment, in order to raise the quality of each project; whether the scores should be communicated to the country concerned or not was not decided by ITTC-40. He asked delegates to send comments on the draft third edition of the project assessment manual before it is finalized, and agreed with the UK that professional subjective assessment should not be lost.

EX-POST EVALUATIONS: On Tuesday, Bipin Behari, ITTO consultant, presented the findings of two *ex-post* evaluations (CEM/CFI(XLII)/3). On a project to develop the sustainable management and utilization of sympodial bamboos in South China, he noted the major achievements of the

project included: extensive research that increased knowledge on sympodial bamboos; the establishment of demonstration regions; creation of pilot plants for high-value bamboo products and bamboo-shoots to boost economic development of local communities; and increased awareness of SFM and the economic potential of sympodial bamboos.

On an *ex-post* evaluation of the improved and diversified use of tropical plantation timber in China to supplement diminishing supplies from natural forests, Behari noted that outputs of the project included training courses, information dissemination, market studies, and technical reports and papers. He highlighted that most of the project's objectives were met, and stressed that these contribute to meeting ITTO's Objective 2000 for SFM in the tropical plantations.

Japan requested more information on the project's impacts, and indicators for specific objectives. Behari said project impact depends on whether outputs are sustained, which is also influenced by other factors, noting that undertaking an *ex-post* evaluation after two years is a policy decision.

Charlotte Cudby, ITTO consultant, reported on the *ex-post* evaluation of a project on improving rubberwood utilization and marketing in Thailand. She noted that issues in the evaluation, included: project objectives not reflecting key parts of the strategy; specific objectives that were actually long-term aims; and indicators that were not measurable with the available data. She recommended that: the government provide stronger political leadership; stakeholders work towards agreement on a national rubberwood development strategy; and dissemination of information on rubberwood be improved, including through training and funding.

Jorge Malleux, ITTO consultant, presented *ex-post* evaluations of projects for forest rehabilitation involving collaboration with local communities in Ghana, Peru, Ecuador and Togo. He noted these projects covered similar thematic areas, involved reforestation with native species, achieved Forest Stewardship Council (FSC) certification, and involved 22,000 hectares of forests. He recommended that projects involving local communities be undertaken over a minimum of five years and that greater emphasis be placed on indigenous species. Japan said that these projects involved five isolated communities and that efficient means need to be developed to replicate such projects in the thousands of other communities like them. He also opposed extending project timelines to five years as projects should be regarded individually and extending project durations has funding implications. The US recommended that ITTO's membership in the Global Partnership on Forest Landscape Restoration's learning network be used to disseminate lessons learned in this evaluation.

Côte d'Ivoire, with Indonesia, emphasized the need for community involvement in projects. In response to a question from the Philippines, Malleux confirmed that the terms of reference for the evaluation had in fact been adhered to, as reflected in the full report.

ANNUAL MARKET DISCUSSION: On Wednesday morning, the Council met for the annual discussion of the international timber market situation. Brent McClendon, International Wood Products Association (IWPA), presented on emerging factors affecting the timber market, including the

global financial crisis. He gave an overview of the Lacey Act, a new US law that restricts imports of illegally sourced forest products. He said that there is a misperception that the IWPA opposes the Act, noting that the IWPA will benefit from the assurance it will provide to consumers of tropical hardwoods.

Alhassan Attah, Ghana Forest Commission, presented on the forest market situation in Africa, highlighting that there is a lack of data on the informal trade in forest products. He noted challenges to intra-regional trade, including the lack of infrastructure. He cautioned that Africa's dependence on the European market may leave it vulnerable during the current financial crisis.

Bob Tate, Papua New Guinea Forest Industries Association, said that raising alarms regarding illegal logging creates a negative image for tropical forest products in general, driving down demand and prices, and that this in turn leads to the conversion of tropical forests to more profitable uses, such as oil palm plantations.

In the ensuing discussion, the Philippines called for a small intersessional group to discuss how to mitigate the effects of the global financial crisis.

Yati Bun, Papua New Guinea Community Forest Association, commented that illegal logging in Papua New Guinea has been well documented, and drew attention to a Forest Trends report that consolidates the results of five independent reports on this problem. He noted that the FSC is present and active in Papua New Guinea, and that this requires community involvement, which should be supported.

The US clarified that the Lacey Act will not come into effect until April 2009, and that it does not require a declaration of legality. Cameroon called for further engagement between the ITTO and the African Timber Organization. Mexico noted that its government has instituted a procurement policy giving preference to certified forest products.

COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE AND COMMITTEE ON FOREST INDUSTRY

The Committee on Economic Information and Market Intelligence (CEM), chaired by Michele Mire (US), and the Committee on Forest Industry (CFI), chaired by Jürgen Blaser (Switzerland), met from Monday to Friday to consider, *inter alia*: completed projects, pre-projects and *ex-post* evaluations; projects, pre-projects and other activities in progress; project and pre-project proposals; policy work; the election of officers; and other business.

COMPLETED PROJECTS AND PRE-PROJECTS:

On Monday, the CEM/CFI considered completed projects and pre-projects (CEM-CFI(XLII)/2). Delegates heard reports of completed projects and pre-projects, including on:

- a timber and timber products trade flow study in the Philippines;
- reviewing the present situation and development of a strategy and project for enhancing the national forestry statistics management system of Côte d'Ivoire;
- the development and promotion of financial compensation and environmental services derived from tropical forest ecosystems in Guatemala;
- strengthening of the Forest Products Laboratory of IBAMA in

Brazil;

- non-timber production and sustainable development in the Amazon in Brazil;
- the processing and utilization of Almaciga resin as a source of industrial chemicals in the Philippines;
- development of sustainable rattan production and utilization through participation of rattan small holders and industry in Indonesia;
- promoting selected non-timber forest products (NTFPs) based on community participation to support SFM in East Kalimantan, Indonesia;
- utilization of lesser used wood species in Guyana;
- Guatemalan forest industry development; and
- development of value-adding processes for short-rotation, small-diameter, community teak plantations in Java and Eastern Indonesia.

All of these projects and pre-projects were declared completed.

EX-POST EVALUATIONS: On Monday, the CEM/CFI heard updates from the Secretariat on *ex-post* evaluations (CEM-CFI(XLI)/3), including:

- the development and implementation of a pilot project of the forestry statistics information service in the Philippines; and
- expanding and improving a global mangrove database and information systems and their networking.

One project for CEM, on a trade flow study for timber and timber products in the Philippines, was selected for *ex-post* evaluation.

Six CFI projects were recommended for consideration of *ex-post* evaluations, including on:

- improvement of rubberwood utilization and marketing in Thailand; and
- training in reduced impact logging in Guyana.

Chair Blaser highlighted that there was a shortage of funds for *ex-post* evaluations to be conducted by the CFI for projects that did not have funds earmarked within the project budget for this purpose. He requested that delegates decide whether to postpone a decision on carrying out the evaluations. Cameroon, with Guatemala and the Philippines, stressed the importance of *ex-post* evaluations. The US, while noting the importance of *ex-post* evaluations, emphasized the need to make a decision at the current Council session. The Committee postponed the decision on *ex-post* evaluations until the next Council session.

PROJECTS, PRE-PROJECTS AND ACTIVITIES IN PROGRESS: On Tuesday, the CEM/CFI discussed projects, pre-projects and activities in progress (CEM-CFI (XLII)/4) and projects needing agreement.

On projects in progress, the CEM/CFI heard updates on projects on:

- enhancing the forest statistics information and management system for processed log management in Gabon;
- Timbers of Tropical Africa Part 1: PROTA Programme for improving access to interdisciplinary data on the timbers of tropical Africa;
- research and development of alternative energy from biomass through briquetting, gasification and direct combustion in Malaysia and Cameroon;
- establishing a woodwork and craftsmanship village in Ghana;

- the development of skills and technical training structures at the Mbalmayo National School of Forestry in Cameroon;
- promoting access to the forest sector activities by Gabonese nationals through the development of the Small and Medium Enterprises Forest Partnership; and
- sustainable management of NTFPs in Maharashtra, India.

The CEM/CFI also heard a request for an additional US\$69,670 to extend a project on promoting and creating market demand for certified tropical wood and verified legal tropical wood in Japan. The Committee agreed to extend the duration of the project to May 2010 and grant the additional funds, subject to availability.

On establishing a national statistical system for imported timber and timber products in Egypt, the Secretariat reported that a technical mission had been sent to Egypt to assess the status of the project. He noted that many of the objectives and tasks did not take place, including the submission of progress reports and training courses. Expressing deep concern over the progress of the project, the Committee requested that the Secretariat close the project.

CEM/CFI projects pending agreement included:

- establishing a national forest and timber marketing statistics system in Ecuador;
- independent validation of legal timber in Ghana; and
- strengthening the national forest system in Thailand.

CONSIDERATION OF PROJECT AND PRE-PROJECT PROPOSALS: On Wednesday, the CEM/CFI reviewed project and pre-project proposals (CEM-CFI(XLII)/5). The following proposals were approved without objection:

- Timbers of Tropical Africa Part 2, for the PROTA Programme;
- enhancing the capacity of the wood processing sector to improve efficiency and add value in Guyana;
- energetic valorization of wood residues by compaction process; and
- reviving forestry education in Liberia.

The Committee recommended that Council approve the following projects:

- demand and supply of tropical wood products in China; and
- development of further processing of timber in five producer countries of the Congo Basin.

The Committee recommended a pre-project submitted by Peru for approval by the Council, pending the submission of necessary documents during ITTA-44. The documents were received on Friday.

The Committee recommended that the following projects not be considered for approval:

- developing and integrating community compensation payment schemes in forest management in Ghana; and
- the preparation of three works on the trees of Gabon.

The US and Côte d'Ivoire inquired what procedure should be followed in the event that the EP does not provide clear guidance regarding the approval of a proposal. Subsequently, a project proposal by Côte d'Ivoire on developing a national forest statistics system was recommended for resubmission to the EP by the Committees.

POLICY WORK: On Wednesday and Thursday, the Committee met to review and discuss policy work that had taken place since ITTC-43.

On Wednesday, Bob Smith, ITTO consultant, presented on a pilot project for trial implementation of a chain-of-custody (CoC) tracking system in a forest concession in Papua New Guinea. He said outcomes included a manual and skill development on CoC. He observed that legality should not be equated with sustainability, but that it contributes to future forest certification.

Art Klassen presented on a pilot project on legality and CoC. He reported achievements, including third-party verification of legality and establishment of a complete CoC system. He said activities included baseline assessment, training, monitoring, and a pre-audit check. Outputs included a successful audit and attainment of the legality and CoC standards. He highlighted lessons learned, including that private sector solutions to obtaining assurances of origin and legality are feasible, cost effective and a matter of importer choice. He noted that the market response will determine if legality standards suffice instead of full SFM certification but that legality and CoC are steps toward SFM certification based on C&I for reduced impact logging. He said that the national standards used to establish legal origin in this project were stronger than the generic standard of Smartwood on legal origin.

On Wednesday, the Secretariat presented policy work for promoting wood-based bioenergy in tropical countries, noting two regional fora that had taken place in the African and Asia-Pacific region and a Latin American forum planned for June 2009.

Work on strengthening the policies and opportunities for forest investment was also discussed. The Secretariat noted that a national workshop had taken place in Bolivia and that further workshops are being planned for Africa and the Asia-Pacific.

The Secretariat noted that a proposal had been identified for promoting further processing of tropical timber in Africa. He also noted that work on studying the technical and environmental standards of tropical timber products in international markets would not commence until 2009. The Committees recommended to the Council that no further work take place on the study of international transportation of timber products.

The Committee considered policy work on the enhancement of statistical work and training workshops in statistics. The Secretariat noted that the ITTO had supported a workshop in New Delhi. On reviewing the long-term outlook for tropical timber, she said that work will commence in November 2008 and will be reported at ITTC-45.

On monitoring the competitiveness of tropical wood products compared with other materials, the Secretariat announced that they are still waiting for funding and hope to carry out the work in 2009.

The Secretariat noted that work for assisting market remuneration for environmental services provided by tropical countries had began and was aimed at assisting local communities to develop project proposals on the topic.

On Thursday, the Committee heard a report reviewing the timber market in two significant tropical timber-importing countries, Portugal and Spain. Ole Pedersen, ITTO Consultant, highlighted concerns regarding discrepancies between data sources and lamented that there was little coordination between agencies. Outlining the timber market of the Iberian Peninsula, Pedersen noted a number of features, including: a worldwide

slowdown in construction, which has led to an overall decline in wood demand; an increasing awareness of illegal logging among consumers; and an urgent need to mitigate the negative perception caused by illegal tropical timber imports. He stressed that there was an increase in the demand for tropical timber globally, but that tropical roundwood imports to Iberia and the EU as a whole were decreasing.

Pedersen stated that factors affecting competitiveness for tropical timber include raw material procurement, infrastructure, administrative procedures, and cost increases due to fuel and transport, among others. Additionally, he stressed the need for Producer countries to ensure that their timber products were “always in stock.” Pedersen emphasized the need to continue work on combating illegal logging, as this drives down prices and the value of the tropical timber market as a whole.

In the ensuing discussion, the EC noted that the report did not address why Portugal had been experiencing an economic slowdown over the last six years and expressed an interest in investigating this further. He noted that the report did not address the harmonized tariffs that are in place in the EU, nor did it note that there are preferential tariffs in place in many countries and that neither of these was specific to the Iberian region. He lamented that the report had many deficiencies, saying that it needs to be more concise, with an increased focus on the analysis and narrative.

Malaysia requested clarification on whether market projections were included in the terms of reference, and requested that these be included in the terms of reference for future project work. The US noted that some form of projection may be included in the narrative of the report. Indonesia requested further clarification on how the Iberian governments deal with illegal timber imports.

Chen Hin Keong, TRAFFIC, presented a policy brief on export and import protocols as contributors to discrepancies in international timber trade data, based on export data from Indonesia and Malaysia and import data from a number of countries. He observed that three categories of documents – business documents, shipping documents, and government (customs) documents – must be supplied both to export and to import timber, but that there are sometimes large discrepancies between figures collected at the two ends of the trade. In order to combat these he recommended that importers should be required to submit customs declaration forms completed for export in order to import timber, and that these declarations should be cross-validated in order to show that they are the authentic export forms. He noted several national level workshops on this topic to be held soon. He called on the ITTO to support such efforts by: assisting with capacity building and training; evaluating the possibility of prior notification for the timber trade; and maintaining regular dialogue to promote reciprocal policies.

In comments on the presentation, Malaysia suggested the addition of more statistics, more country reports, and glossary terms to the annual review of the tropical timber situation publication (ITTC(XLIV)/5). The FAO asked if the discrepancies found are significantly different from those seen in other commodities.

Market Access: Addressing Market Access, the Secretariat noted that there were no further developments in the Doha Development Agenda or in European Conformity marking. Malaysia remarked that they would like to continue investigating reducing the cost of applying these markings by setting up laboratories in Producer countries.

The Secretariat noted that there was no further news on Norway’s procurement policy, which excludes tropical timber.

On forest and timber certification, the Secretariat announced that New Zealand no longer wished to pursue timber subsidies work and suggested terminating discussions. Delegates agreed.

The Secretariat also highlighted that since ITTC-43 there has been an 8.8% increase in certified forest area and notable progress on CoC certification, although this had occurred mainly in developed countries.

The ITTO Regional Officer for Latin America and the Caribbean, Floriano Pastore, presented a brief summary of joint activities taking place between Latin America and the ITTO. He highlighted that work was underway to evaluate the forestry sector’s true contribution to national accounts. He noted that a workshop had taken place in Ecuador, which emphasized that GDP figures do not truly reflect the forestry sector, nor do they consider decreasing forestry stocks or wealth flows.

ELECTION OF CHAIRS AND VICE-CHAIRS FOR 2009: The CEM/CFI elected Siti Syaliza Mustapha (Malaysia) as CEM Chair and Carla Boonstra (the Netherlands) as CEM Vice-Chair. James Singh (Guyana) and Im Eun Ho (Republic of Korea) were elected CFI Chair and Vice-Chair, respectively

DATES AND VENUES OF FUTURE MEETINGS: It was agreed that the forty-third and forty-fourth of the Committees will be held in conjunction with ITTC-45 and ITTC-46, respectively.

ADOPTION OF REPORT: On Friday, the draft report (CEM-CFII(XLIII)/8) was accepted by the Committee for submission to the Council with minor amendments.

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

The Committee on Reforestation and Forest Management (CRF), chaired by Carlos Enrique Gonzalez, (Mexico), met from Monday to Friday to consider: completed projects and pre-projects; projects and pre-projects in progress; approval of project and pre-project proposals; policy work; election of officers; and dates and venues of future Committee meetings. The Vice-Chair for the session was Hideaki Takai (Japan).

COMPLETED PROJECTS AND PRE-PROJECTS: The Committee met on Monday to discuss completed projects and pre-projects, including those with financial audits pending (CRF(XLII)/3).

Nine projects were considered complete, including financial audits:

- regionalization of volume tables for trees of natural forests and plantations;
- forest fire management in Côte d’Ivoire;
- SFM in commercially producing forests in Brazil’s Amazon;
- application of C&I for SFM at the forest management unit (FMU) level in Ecuador; and

consolidation of the Bagre Highlands biological corridor in Panama through integrated planning.

Brief presentations were given on the results and successes of the following projects, which were considered complete, including financial audits:

- integrating FMUs into sustainable development units (SDU) through collaborative SFM in the Philippines;
- participatory establishment of collaborative SFM in Jambi, Indonesia;
- rehabilitation of degraded forest land involving local communities in West Java, Indonesia; and
- demonstration of the management of secondary forests in tropical regions to enhance economic and ecological benefits, Phase I in China.

One project, a forest inventory and resource monitoring programme in Bolivia, was considered to be completed unsatisfactorily.

Projects completed with financial audits pending included the following on:

- transboundary biodiversity conservation in Sarawak State, Malaysia; and
- an international workshop in Ghana on the Clean Development Mechanism and the forest sector.

Two pre-projects were considered complete, on:

- settling the tribal shifting cultivars of Tripua State through sustainable and multipurpose forestry practices providing economic activities in India; and
- strengthening forest law enforcement and governance capacity in Cambodia.

Two pre-projects were considered complete, pending financial audits:

- conservation and management of genetic resources in the natural tropical forests in Ecuador; and
- regeneration and management of mangrove forests surrounding the Douala/Edea reserve in Cameroon.

REVIEW OF PROJECT AND PRE-PROJECT WORK IN PROGRESS: On Tuesday, the Committee considered the Report on Project and Pre-project Work in Progress, prepared by the Secretariat (CRF(XLII)/4).

Projects under implementation: The Committee considered 68 different projects currently under implementation in a wide range of Producer countries. It was reported that a project on the sustainable use of mangrove forests in Venezuela was facing serious administrative constraints, and that the implementation agency had been asked to prepare a request for extension with a modified work plan and budget.

Switzerland, with the Philippines, opposed granting an extension and additional funding to a project on productive forest management in rural areas of Colombia, on the grounds that the project appeared to have been completed. The implementation agency clarified that the project still required validation in order to qualify for credit under the Kyoto Protocol Clean Development Mechanism (CDM).

On an extension for an alternative financing model for an SFM project in San Nicolás, Colombia, Colombia highlighted successes of the project, notably in promoting biodiversity,

conservation and eco-tourism. She said that through this project local communities were re-learning how to utilize indigenous plant species.

On a project to build capacity in order to develop tropical forestry afforestation and reforestation projects under the CDM, the Secretariat noted that positive progress had been made, but that delays in implementation necessitated a project extension until December 2009.

Panama presented on a SFM project for a forest corridor reserve on the Pacific coast of Panama. She noted the goal of socializing the project and said a management plan was created to establish equilibrium with the forest and its inhabitants. She highlighted that establishing strong communication channels between local communities and local and national governments had ensured the efficient implementation of project activities.

Jorge Malleux, ITTO consultant, reported on a project to evaluate commercial stocks and strategies for the sustainable management of broadleaf mahogany (known locally as caoba) in Peru. He spoke on the decrease in caoba stocks from over 40,000 cubic meters in 2000 to 3,117 cubic meters in 2007. He detailed how GIS data had been used to assess remaining stocks and identify the forests' present and future production capacity. He highlighted how improved management of seed tree populations would increase production stocks over time.

Projects awaiting implementation agreement: The Committee noted one project, on strengthening law enforcement and governance in Cambodia, which is still awaiting implementation agreements.

Projects awaiting financing and coming under sunset provisions: The Committee noted that 17 projects approved at earlier sessions are still awaiting funding, and that six projects fall under the sunset provision.

Pre-projects awaiting implementation agreement, waiting financing or coming under sunset provisions: No comments were made on this item.

CONSIDERATION OF PROJECTS AND PRE-PROJECTS: On Tuesday, the Committee recommended approval for revised projects on:

- capacity building for SFM CDM focusing on community forests and poverty alleviation in Ghana;
- the development of an information system, in support of the CITES Scientific Authority, to track mahogany and cedar populations in Peru;
- assessing the potential impact of environmental fluctuations and climate change on forest plantation pests in Ghana;
- testing clones of the superior progeny of *Shorea leprosula* for an enrichment planting program in Indonesia;
- community-based sustainable forest production and conservation in the Chepigana forest reserve in Panama;
- developing the institutional capacity of the CITES Scientific Authority in Cameroon to ensure the sustainable management of *Prunus africana*;
- the development and extension of household-oriented techniques to promote reforestation in the tropical zone of southwest China;
- development of a national reforestation policy and afforestation strategy in Liberia;

- deforestation, logging and land-use change monitoring in the Pan-Amazonian forest in Brazil; and
- assessing policy and international frameworks to facilitate developing an integrated grazing policy for the sustainable management of tropical forest resources in India.

The Committee, on the recommendation of the EP, decided not to approve five projects, on:

- the conservation and development of tropical forests in Acre, Brazil;
- community-based secondary forest management in Ghana;
- sustainable and participatory management of forest resources in Togo;
- the development of NTFPs in the Central African Republic; and
- reducing CO₂ emissions by reducing deforestation in Peru.

POLICY WORK: On Tuesday and Wednesday afternoon, the CRF heard updates from the Secretariat on policy-related matters. James Singh, ITTO consultant, reported on the successful development of a fire management strategy in Guyana. The Secretariat reported on the ITTO's participation in the Global Partnership on Forests Landscape Restoration, its collaboration with IUCN, its development of workshops and manuals to promote the ITTO Guidelines for the Management of Secondary Tropical Forest, Restoration of Degraded Tropical Forests, and the Rehabilitation of Degraded Forest Land. On monitoring progress in applying SFM C&Is, the ITTO Secretariat reported that, to date, 26 C&I training workshops have been conducted, covering almost all Producer countries, and that these workshops also served to assist the ITTO in updating member information. The Philippines queried whether new methods could be developed for analyzing the C&Is; the Secretariat said further reporting feedback was needed in order to assess such requirements.

Jorge Malleux, ITTO consultant, presented on the multipurpose forest inventory using Papua New Guinea as a case study (Decision 3(XLII), CRF(XLII)/5), noting the multi-disciplinary nature of the research behind this report. He said that it considered many more issues than a traditional forest inventory, including socioeconomic factors and NTFPs, and requires large amounts of data.

ELECTION OF THE CHAIR AND VICE-CHAIR FOR 2009: Ghana announced that the Producer Group nominated John Woods (Liberia) as Vice-Chair for 2009, which was supported by Switzerland for the Consumer Group. Hideaki Takai (Japan) was elected as CRF Chair for 2009.

DATES AND VENUES OF FUTURE MEETINGS: The forty-third and forty-fourth sessions of the CRF will be held in conjunction with ITTC-45 and ITTC-46, respectively.

ADOPTION OF REPORT: On Friday, the draft report (CRF(XLII)/7) was accepted by the Committee for submission to the Council.

COMMITTEE ON FINANCE AND ADMINISTRATION

The CFA, chaired by Marcel Vernooij (the Netherlands), met from Monday to Friday to consider, *inter-alia*: the administrative budget for 2009; review of contributions to the administrative budget; status of the administrative account; resources of

the special account and the Bali Partnership Fund (BPF); the auditors' report for 2007; and other business. The Vice-Chair for the session was Schadrack Ondoua Ekotto (Cameroon).

ADMINISTRATIVE BUDGET FOR 2009 AND STATUS OF THE ADMINISTRATIVE ACCOUNT: On Tuesday, the Secretariat introduced the Indicative Administrative Budget for the Financial Year 2009 (CFA(XXIII)/2). He noted an increase in the budget due to an exchange rate fluctuation, with the value of the US dollar decreasing from 118 Yen in 2007 to 106 in September 2008. The latter is the official UN exchange rate for the month in which the budget was prepared, and a resulting increase in assessed contributions for 2009. Responding to Japan, the Secretariat noted Council's option to authorize the Executive Director to use more than the currently authorized US\$300,000 from the Working Capital Account (WCA).

The Secretariat presented the Status of the Administrative Account for the Financial Year 2008 (CFA(XXIII)/4). He noted that the Administrative Budget for 2008 had an estimated surplus of US\$45,501 and that the funds available for the WCA totaled US\$3,723,109.

On the administrative account for 2009, Chair Vernooij summarized the budgetary question discussed previously, asking delegates to consider options for addressing the shortfall for 2009.

Japan noted that there was in fact a surplus for 2008 rather than a shortage and, opposed by the EC, suggested maintaining the same assessed contributions as last year's. The Secretariat responded that the surplus was due to two unfilled staff vacancies.

Cambodia objected to increasing its assessed contribution as it has no timber exports. The Chair observed that if Cambodia's vote changed as a result of no exports, this would in any case have implications for its assessed contribution.

Germany recommended that the EP expense of US\$380,000 per year should come directly from project overheads, and noted three other options: accept a 10% increase in assessed contributions; accept a 5% increase in assessed contributions and allow the Secretariat to withdraw the remainder from the WCA; or find another solution such as raising the US\$300,000 cap on WCA withdrawals by the Secretariat. This last option was opposed by Norway.

Norway suggested budgeting in the currency in which the majority of expenses occur. China urged delegates to find a permanent, rather than temporary, solution.

The Chair deferred further discussion, noting his reluctance to make fundamental changes before the new Agreement takes effect. He commented that any TP decision taken here may have funding implications which the CFA will also have to consider.

On Friday, the CFA met to consider the draft Approved Administrative Budget for the Financial Year 2009 (CFA(XXIII)/2/Rev.1), which took note of previous discussions. Taking up the outstanding questions regarding the Administrative Budget for 2009, Germany suggested that the proposed position of Assistant Director for Planning, Monitoring and Evaluation be reduced to a lower level and that it be put under the supervision of an existing Assistant Director. Participants agreed to recommend that this be done on a trial basis for one year.

The Chair then made a proposal to keep the 2009 budget as it was agreed in 2007 and allowing the Executive Director to draw from the WCA in order to address the shortfall for 2009 caused by the drop in value of the US dollar relative to the Japanese yen. In response to a query from Japan, the Secretariat clarified that the WCA usually faces large deficits. The Chair noted that allowing the Executive Director to draw US\$300,000 from the WCA for 2009 would reduce the increase in the total budget in dollars from 9.5% to 3.9%.

Malaysia noted that authorizing a withdrawal from the WCA at present would not eliminate the Executive Director's authority to draw upon the WCA again during the year. The Secretariat confirmed this, reiterating that with no mid-year Council session to review the resources of the Administrative Account, the Executive Director might have to draw on the WCA to finance the budget for 2009. Alternatively, the Council could raise the cap on withdrawal from the WCA to US\$500,000 during this exceptional circumstance of the world financial crisis. Malaysia noted that with no mid-year session members may be less likely to pay their assessments on time. Germany, the US and the EC supported the Chair's proposal in light of the specific, exceptional circumstances, while Japan objected and called for more discussion of the issue. The EC noted that assessed contributions may have to be raised in the future in order to avoid falling under the threshold that makes it possible to draw upon the WCA.

REVIEW OF CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET: On Tuesday, the Secretariat presented the Statements of the Administrative Account (1986-2008) (CFA(XXIII)/3), highlighting that US\$2,118,023 and US\$2,631,204 had been paid by Producer and Consumer country members, respectively. He noted, however, that Liberia's contribution had been paid but was not reflected. Liberia requested that the deadline for its obligations for the ITTO 2008 financial year be extended, in order to coincide with the Liberian fiscal year ending in June 2009. There were no objections. Delegates bemoaned the large amount of arrears owed to the organization and requested that the Secretariat continue to pursue the matter.

RESOURCES OF THE SPECIAL ACCOUNT AND THE BALI PARTNERSHIP FUND: The Secretariat introduced Resources of the Special Account and the BPF (CFA(XXIII)/5) on Tuesday, detailing the status of projects, pre-projects and activities for review by relevant donors. He noted that after a project is closed the remaining funds are transferred for use in *ex-post* evaluations upon permission from the donors.

AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2007: Introducing the auditor's report for the financial year 2007 (CFA(XXIII)/6) on Wednesday, the Secretariat highlighted that the four accounts of the organization were included in the report. He noted that of the US\$21.3 million expenditure in 2007, US\$14.1 million was for project work conducted by the ITTO.

APPOINTMENT OF AUDITOR: On Wednesday, the Secretariat presented two auditors' quotes (CFA(XXII)/7). Upon consideration, the Committee recommended the appointment of Arate Kansa Houjin as the auditors for the next term.

PROPOSED AMENDMENTS TO STAFF

REGULATIONS AND RULES: The Executive Director presented proposed amendments to the staff regulations and rules of the ITTO (CFA(XXIII)/8). He noted that current rules date from 1988 and need revising to align with UN revisions. After a short discussion, the Committee approved the changes.

ELECTION OF THE CHAIR AND VICE-CHAIR FOR 2008: The Committee selected Schadrack Ondoua Ekotto (Cameroon) and David Brooks (US) as CFA Chair and Vice-Chair, respectively, for 2009.

DATES AND VENUES OF FUTURE MEETINGS: An agenda item on dates and venue of the 24th, 25th and 26th sessions of the CFA was deferred pending decision on the 45th, 46th and 47th Council sessions.

OTHER BUSINESS: ESTABLISHMENT OF A THEMATIC PROGRAMMES SUB-ACCOUNT: On establishing a TP sub-account, the CFA agreed to recommend developing a reference handbook to provide background information on finance.

ADOPTION OF REPORT: On Friday, the CFA reviewed its draft report (CFA(XXIII)/9) to ITTC-44. On paragraph 22, of the report, on the administrative budget for 2009, Japan took a reservation in order to consult with its capital. On a paragraph on arrears in contributions, the CFA agreed to a proposal by the US that this matter should continue to be considered with priority by the Council.

On Liberia's debt, Liberia appealed to the CFA to reduce the expected amount of its arrears payment by 50% and objected to a paragraph stating that Liberia requested the Committee to "defer" payment of the remaining balance of its arrearages for 1997-2001, noting that it is not exporting any timber and that the expected amount of payment represented a 3.5% increase in its assessed arrearages as budgeted in 2007. Chair Vernooij advised Liberia to defer any reopening of its payment plan to the next Council session, to which Liberia reluctantly agreed.

On a paragraph on staff regulations and rules, the Committee agreed that their recommended changes should take effect from 1 November 2008 and to put language to this effect in the report.

During discussions on paragraphs on authorizing the Executive Director to transfer up to US\$500,000 annually from the WCA, Malaysia and Germany agreed to the increase while Japan expressed opposition. Delegates eventually agreed to a proposal by Norway to specify that this is as "an exceptional case". They also agreed to refer to Decision 2(XXXIV) authorizing US\$300,000 and to note that this is to meet the shortfall of funds while respecting that the total resources in the WCA should not fall below US\$3 million. Japan expressed its reservation on the increase to US\$500,000.

The Chair reiterated that the use of the WCA in this instance does not solve the shortfall issue.

CLOSING PLENARY

REPORT OF THE CREDENTIALS COMMITTEE: On Saturday, Meredith Stokdijk (New Zealand), Chair of the Credentials Committee, reported that 44 members had presented credentials to the meeting and one member had not presented. She reminded delegates to follow the official procedures on submitting credentials.

REPORTS OF THE COMMITTEES: The reports of the Associated Committees were presented to Council on Saturday. CEM Chair Michele Mire presented, and Council adopted, the report of the CEM (CEM-CFI(XLI)/8). CRF Chair Carlos Enrique Gonzalez presented, and the Council adopted, the report of the CRF (CRF(XLI)/11). CFI Chair Jürgen Blaser presented, and the Council adopted, the report of the CFI (CEM-CFI(XLI)/8). CFA Chair Marcel Vernooij presented, and the Council adopted, the report of the CFA (CFA(XXII)/8).

DATES AND VENUES OF FUTURE SESSIONS:

Discussions on dates and venues for the next Council sessions took place on Friday evening and Saturday afternoon. The Consumer Group recommended holding one Council session per year, in Yokohama, while Producers preferred a second meeting to be held in the spring in a Producer country. Guatemala offered to host the next ITTC session in 2009, stressing the need for rotation when hosting sessions. After protracted discussions between Consumer and Producer groups, it was decided that ITTC-45 will take place in Yokohama from 9-14 November 2009, and Guatemala would host ITTC-46 in 2010. The principle of rotation of Council sessions is to be discussed at ITTC-45.

DECISIONS AND REPORT OF THE SESSION: A

drafting group met from Wednesday to Friday to prepare draft decisions for consideration by the Council. In addition, two separate *ad hoc* working groups met during this time to develop the Thematic Programmes and the ITTO Action Plan 2008-2011. On Saturday, Chair Kuehmayer presented ten draft decisions and they were adopted with minor or no amendments.

The first decision (Decision 1(XLIV)), on projects, pre-projects and activities, approves 15 projects and authorizes financing for three of these, on:

- Timbers of Tropical Africa Part 2;
- development of a national reforestation policy and afforestation strategy in Liberia; and
- reviving forestry education in Liberia.

It approves two pre-projects and authorizes financing for both, on:

- Verifying the legality of forest products in Peru; and
- assessing policy and international frameworks to facilitate developing an integrated grazing policy for the sustainable management of tropical forest resources in India.

It also appeals to members to make additional contributions to enable the funding of other approved projects, pre-projects and activities for which funds are not immediately available, and authorizes the release of US\$200,000 for the Freezailah Fellowship Fund.

The second decision (Decision 2(XLIV)) re-appoints the firm Arata Kansa Houjin as auditor of ITTO's accounts for the financial years 2008-2010.

The third decision (Decision 3(XLIV)), on amendments to the staff regulations and rules of the ITTO, synchronizes the Rules and Regulations with those of the UN.

The fourth decision (Decision 4(XLIV)), on the ITTO Action Plan, adopts the Action Plan for 2008-2011 (ITTC (XLIV)/13).

The fifth decision (Decision 5(XLIV)), on revision of the ITTO project cycle, adopts six revised manuals, including the ITTO Manual for Project Formulation, and authorizes

the Executive Director to seek voluntary contributions from members to fund training workshops on how to use them.

The sixth decision (Decision 6(XLIV)), on the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests, adopts the Guidelines and requests the Executive Director to promote their use internationally.

The seventh decision (Decision 7(XLIV)), on entry into force of the ITTA, 2006, encourages all governments who have not taken steps to ratify the agreement to do so.

The eighth decision (Decision 8(XLIV)), on the Thematic Programme Sub-account, establishes the Thematic Programmes Sub-account in the Special Account, and authorizes the Executive Director to transfer unearmarked contributions for the financing of specific TPs, consistent with the decision on the use of Thematic Programme on a pilot basis.

The ninth decision (Decision 9 (XLIV)), on the use of TPs on a pilot basis, decides to implement, on a pilot basis, TPs on:

- Forest Law Enforcement, Governance and Trade;
- Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests;
- Community Forest Management and Enterprises;
- Trade and Market Transparency; and
- Industry Development and Efficiency.

It further adopts procedures for the operations of these pilots, and terms of reference for thematic programme advisory committees.

The tenth decision (Decision 10(XLIV)), on Thematic Programme Profiles, approves the TP profiles contained in an annex to the decision.

ELECTION OF CHAIR AND VICE-CHAIR FOR

2009: On Saturday, the Consumer Group nominated Michael Maue (Papua New Guinea) as Chair, and the Producer Group nominated Daniel Birchmeier (Switzerland) as Vice-Chair for 2009. Their elections were unanimously approved.

CLOSING STATEMENTS: On behalf of the Producers, Ghana, expressed thanks to the Chair, Vice-Chair, the Executive Director and the Secretariat for their hard work at the ITTC-44. He noted a number of achievements, including the work on TPs, and expressed hope that Producer-Consumer cooperation would continue into the future. On behalf of the Consumers, Switzerland noted that considerable progress on important issues for the future had been made, particularly on the operational modalities of the TPs. He noted that there is a need to improve the organization of work of the Committees to find a balance between project and policy work, especially with the ITTA, 2006 coming into force.

Liberia thanked the Council for its assistance in providing relief for their arrears. He highlighted that they had also received help in developing project proposals and noted that two of these had been accepted for funding.

Papua New Guinea thanked all delegations for the fruitful discussions on work relating to SFM. He noted Papua New Guinea's commitment to implementing ITTO Objective 2000, but said it faced many difficulties in the process. He stressed that a multisector approach is necessary to implement SFM

important, and should involve NGOs and civil society. He noted ITTO's role in guiding Members through the TPs, and expressed thanks to the donors who had pledged money.

Yati Bun, on behalf of the Civil Society Advisory Group (CSAG), noted the hard work that had taken place at ITTC-44, highlighting the wealth of projects and pre-projects that had been completed, and encouraged the ratification of the ITTA, 2006. He stressed the importance of the CSAG as possible implementers of the organization's work, and emphasized that to enhance the effectiveness of the CSAG, the Council should incorporate a formal CSAG presentation in the ITTC's agenda.

Michael Maue thanked Chair Kuehmayer for her leadership and vision and applauded the spirit of cooperation evident throughout the week, highlighting the adoption of decisions on TPs and the new Action Plan. He encouraged members to continue their work towards achieving the entry into force of ITTA, 2006, recommended further support of CSAG, and thanked the Secretariat and members for their support offered for the upcoming year. Chair Kuehmayer gavelled the meeting to a close on Saturday at 4:30 pm.

A BRIEF ANALYSIS OF ITTC-44

DAWN OF A NEW DAY

As the 44th session of the International Tropical Timber Council (ITTC) was taking place, Americans elected their 44th president. Is it a coincidence that both events appear to herald, in some senses, a new era for the wider world? Just as much of the world is enthusiastically welcoming a new day in American politics, with the election of the first US president who is truly a global citizen, it is appropriate that in the land of the rising sun a new day appears to be dawning for the ITTO, with several positive developments at ITTC-44. Most notably, the Council successfully adopted a decision on Thematic Programmes, which will allocate funds in five priority categories, including reducing deforestation and forest degradation, forest law enforcement, and community forestry. In this light, this analysis will examine the outcomes of ITTC-44 and consider their implications for the future of the Organization and for the far more fundamental question of the future of tropical forests.

This Council session has come, for the first time in the ITTO's history, a full year after the previous session, since the elimination of the Spring Council session. This, in combination with organizational issues related to the still pending entry into force of the ITTA, 2006, made for a very full agenda. The most complicated and controversial issues that dominated the week were the Action Plan, which will guide the strategic activities of the organization, and the formulation of the operational modalities for the Thematic Programmes (TPs) that were incorporated into the ITTA, 2006.

The work of ITTC-44 actually began at a unique intersessional meeting on Operational Modalities of Future Work of the ITTC in Accra, Ghana, in June 2008. This took place as the result of a compromise at ITTC-43 between Consumers who wanted to reduce Council sessions to one per year at ITTO headquarters, and Producers who see this as a decline in Consumer commitment, and objected to losing an ITTC presence in Producer countries altogether. The Accra

meeting addressed functions of the Committees and Thematic Programmes, but left much uncertainty as to what members would be able to accomplish at ITTC-44. The Accra meeting could not reach resolution on any of the issues left pending by ITTC-43 because it had no formal authority to take decisions for the Organization. Perhaps because of this, positions expressed in Accra hardened rather than converged, particularly on issues surrounding the new concept of TPs. Thus, delegates arrived at ITTC-44 wondering whether and how far TPs would be tied into the existing project cycle, which Japan insisted on in Accra, or whether it would be possible to include work relating to climate change as a TP, which Brazil strongly opposed in Accra. Then, too, there was disarray left over from ITTC-43 regarding the lack of a Vice-Chair, given the Producers' inability to reach agreement on a nomination at that time, as well as the expectation that addressing the issue of future sessions would once again be problematic. On everyone's mind, above all, was the delayed entry into force of the new ITTA and concern about the implications of this for the Organization.

However, in the end it was the question of dates and venues of upcoming Council sessions – an agenda item that historically has taken the Council five minutes to consider in the final plenary – that in some ways dominated the conclusion of ITTC-44. The work of ITTC-44 ended with the most contentious issue of the session turning out to be, as at both ITTC-41 and ITTC-42, the question of dates and venue of the next Council session. The stalemate lasted overnight and was only broken, some hours after the scheduled end of the session, with a compromise that will allow the Council to travel back to a Producer country – Guatemala – in 2010. This is significant because the spectre was raised that in the absence of a decision on this issue, the default scenario, according to provisions within the ITTA, 1994, would be to hold one meeting per year in Yokohama. This would certainly not sit well with the Producers.

In spite of this one contentious issue, delegates at ITTC-44 demonstrated a high level of cooperation, pulling together to achieve consensus on many issues that will help establish a new *modus operandi* for the Organization under the new Agreement. There is indeed a new pilot TP that includes the enhancement of environmental services – implicitly including climate change – in the context of reducing deforestation and forest degradation. This is significant because of the global concern over climate change and the increasing will to finance measures to address this problem. This, combined with four other TPs that delegates were able to reach agreement on, promises funding that may amount to as much as US\$60 million over five years, with the hope of more funds to come. In addition, delegates showed flexibility on how the process of choosing projects and activities for TPs will be operationalized, raising hopes that projects can be chosen more expeditiously and with less donor micro-management than has been the case under the current project cycle system.

ITTC-44 also made progress on more substantive issues as well. Revised guidelines for the conservation and sustainable use of biodiversity in tropical timber production forests were fully agreed, as were revisions of the ITTO project cycle manuals and guidelines. Moreover, discussions in committees and presentations at the Annual Market Discussion and in plenary gave ample indication that the issue of illegal logging

has been mainstreamed into the work of the ITTO, even to the point of controversial statements and candid differences of opinion being openly expressed on this topic. This is significant because as recently as a decade ago the existence of illegal logging was hardly acknowledged within the Organization. The mainstreaming of this issue has now culminated in the approval of a new TP on forest law enforcement, governance and trade. This builds upon a pilot programme begun a year ago, which has already received cumulative funding pledges of US\$5 million since 2007.

Many of the cooperative features of this session may be linked back to the recent growth of concerns about climate change and about illegal logging, particularly among potential donor countries. This has increased the possibility of funding, and new money has a way of greasing the wheels of cooperation. The growing interest in these topics can be considered economic, at least in the widest sense, with the costs of illegal logging for specific actors and the costs of climate change now apparently gathering enough weight to warrant taking action. It is hoped that the successful adoption of a decision on Thematic Programmes will serve to attract further funding, build confidence in the ITTO and attract further ratifications of ITTA, 2006. The goodwill generated appears to have extended to other issues to be addressed at this meeting, including the compromise reached on the frequency and location of Council sessions.

Thus, despite the fact that the ITTA, 2006 has not entered into force as yet, the day that is dawning in the ITTO looks to be a bright one. Will it also be bright, however, for the tropical forests of the world that are still under enormous pressure? Tropical deforestation continues at an alarming rate, with 6 million hectares of primary forest – almost half the size of England – being lost or modified per year, according to the FAO's most recent Forest Resource Assessment. All the good will in the world does not necessarily guarantee that actions can be taken that ultimately have the effect of reversing the loss of the myriad of environmental and other values that deforestation and forest degradation cause, as both learning and political processes may take more time than we now have. In so far as the ITTO can put into operation substantive activities that really focus on root causes of some of the worst drivers of forest loss, such as illegal logging and trade and conversion of forests to more profitable uses, and if there is funding necessary to be effective in these efforts, then, at least in the world's forests where the ITTO has any role, the outlook may be positive.

UPCOMING MEETINGS

AD HOC EXPERT GROUP TO DEVELOP PROPOSALS FOR THE DEVELOPMENT OF A VOLUNTARY GLOBAL FINANCIAL MECHANISM:

This UN Forum on Forests *Ad Hoc* Expert Group meeting is being held from 10-14 November 2008, in Vienna, Austria, to develop proposals for the development of a voluntary global financial mechanism, portfolio approach and forest financing framework, to be presented at the eighth session of the UNFF in 2009. For more information, contact: UNFF Secretariat; tel: +1-212-963-3160; fax: +1-917-367-3186; e-mail: unff@un.org; internet: <http://www.un.org/esa/forests/adhoc-SFMfinance.html>

GLOBAL INDIGENOUS PEOPLES CONSULTATION ON REDD:

This meeting will be held from 12-14 November 2008, in Baguio, the Philippines. This meeting will seek to compile information on the potential impacts of REDD actions on indigenous and local communities. It is expected that the meeting will also enhance indigenous and local community participation in REDD-related decisions. For more information, contact: United Nations University – Institute of Advanced Studies Traditional Knowledge Initiative; tel: +61-8-89466792; fax: +61-8-89467720; e-mail: tki@ias.unu.edu; http://www.unutki.org/news.php?news_id=43&doc_id=6

CITES BIGLEAF MAHOGANY WORKING GROUP:

The fourth meeting of this working group will be held 14-15 November 2008 in Cancún, Mexico. For more information, contact: CITES Secretariat; tel: +41-22-917-8139; fax: +41-22-797-3417; e-mail: info@cites.org; internet: <http://www.cites.org>

TROPICAL FORESTRY CHANGE IN A CHANGING WORLD:

This meeting will be held from 17-20 November 2008, in Bangkok, Thailand, to promote the exchange of technology and experience in various aspects of tropical forestry among stakeholders, researchers, technicians and involved professionals. It will focus on how society can achieve more sustainable use of tropical forests, and how the changing global physical and social environment affects the future of tropical forests. For more information, contact: FORTROP II Secretariat; tel: +662-579-0170; fax: +662-561-4246; e-mail: FORTROP2008@ku.ac.th; internet: <http://www.forest.ku.ac.th/fortrop2008/main/index.php>

TRAINING PROGRAMME: GOVERNANCE FOR FORESTS, NATURE AND PEOPLE:

To be held in Bogor, Indonesia, from 24 November - 5 December 2008, this training programme on managing multi-stakeholder learning in sector programmes and policy processes aims to provide participants with insights, knowledge and skills for designing and managing interactive policy processes in forest and nature management. For more information, contact: Wageningen International; tel: +31-317-486-800; fax: +31-317-486-801; e-mail: training.wi@wur.nl; internet: http://www.cdic.wur.nl/UK/newsagenda/agenda/Governance_for_forests_nature_and_people.htm

PROVOKING CHANGE: STRATEGIES TO PROMOTE FOREST USERS IN THE AMAZON:

This meeting will be held in Belem, Brazil, from 1-5 December 2008. This conference aims to: discuss current strategies for rural development and forest conservation in the region; catalyze processes of reflection and learning as options for promoting forest-based rural development; discuss possibilities for overcoming political, technical, legal and financial barriers; identify feasible approaches to support forest users in the Amazon to use their resources more effectively; and provide orientation about skills, methods, strategies and key factors required for effectively reaching local forest users. For more information, contact: Lisa Hoch; tel: +55-91-3201-5230; fax: +55-91-3201-3627; e-mail: congreso.forlive@gmail.com; internet: http://www.waldbau.uni-freiburg.de/forlive/05_Events/sc.html

INTERNATIONAL WORKSHOP ON PROMOTION OF RUBBERWOOD PROCESSING TECHNOLOGY IN THE ASIA-PACIFIC REGION:

This meeting will be held in Haikou, China, 8-10 December 2008, organized by the Research

Institute of Wood Industry, the Chinese Academy of Forestry, the Hainan Wood Industry Co. Ltd., and Yunnan Natural Latex Co. The aim of the workshop is to exchange research results, technological advances and experiences and market information related to the opportunities and challenges of rubberwood processing technology in the Asia Pacific Region. For more information, contact Zhao Youke; tel: +86-10-6288-9407; fax: +86-10-6288-1937; e-mail: youke.zhao@hotmail.com; internet: <http://www.paneltech.cn/rubberwood/workshop.htm>.

FOREST DAY 2: This meeting will be held on 6 December 2008, in Poznan, Poland, coinciding with UNFCCC COP-14. The Center for International Forestry Research is planning to co-host Forest Day 2 in collaboration with partner organizations in the Collaborative Partnership on Forests to provide an international, multi-stakeholder forum on forest and climate change policies at global, national and local levels. For more information, contact: CIFOR; tel: +62-251-622-622; fax: +62-251-622-100; e-mail: Cifor-forestday@cgiar.org; internet: <http://www.cifor.cgiar.org/>

INTERNATIONAL FOREST BIOSECURITY

CONFERENCE: This conference, to be held in Rotorua, New Zealand, from 18-20 March 2009 is organized by IUFRO. It will explore the latest developments in forest biosecurity and discuss issues related to the exclusion, eradication and management of pests for the protection of the diverse benefits offered by forests. For more information, contact: Amanda Davies; e-mail: amanda.davies@innovatek.co.nz; internet: <http://www.forestbiosecurity.com>

EIGHTH SESSION OF THE UN FORUM ON FORESTS

(UNFF-8): This session will be held from 20 April - 1 May 2009, at UN headquarters in New York. Agenda items to be covered include: working to reach agreement on a decision for voluntary global financial mechanisms; a portfolio approach for financing SFM; and a forest financing framework. For more information, contact UNFF Secretariat; tel: +1-212-963-3160; fax: +1-917-367-3186; e-mail: unff@un.org; internet: <http://www.un.org/esa/forests/>

LIGNA+ 2009: Ligna+, to be held in Hannover, Germany from 18-22 May 2009, is an international hub of woodworking and wood processing industries with an array of presentations, seminars, symposia and conferences to create integral networking and knowledge transfer. For more information, contact: Figen Günay; tel: +49-511-89-32126; fax: +49-511-89-33126; e-mail: figen.guenay@messe.de internet: <http://www.ligna.de>

SECOND WORLD CONGRESS ON AGROFORESTRY:

This meeting will be held in Nairobi, Kenya, from 23-29 August 2009. The overall Congress theme is "Agroforestry - The Future of Global Land Use." Plenary, symposia, concurrent and poster sessions will be organized around different major topics, based on the following: markets as opportunities and drivers of agroforestry land use; tree-based rehabilitation of degraded lands and watersheds; climate change adaptation and mitigation; and policy options and institutional innovations for agroforestry land use. For more information, contact: Dennis Garrity, World Agroforestry Centre; tel: +254-20-722-4000; fax: +254-20-722-4001; e-mail: wca2009@cgiar.org; internet: <http://www.worldagroforestry.org/wca2009/>

XIII WORLD FORESTRY CONGRESS: This conference will be held from 18-25 October 2009, in Buenos Aires, Argentina, to hear presentations on a wide range of issues related to forests, biodiversity and development. For more information, contact: Secretary-General Leopoldo Montes; e-mail: info@wfc2009.org; internet: <http://www.wfc2009.org>

ITTC-45: The forty-fifth meeting of the International Tropical Timber Council and associated sessions of the four committees is scheduled to take place in Yokohama, Japan, from 9-14 November 2009. For more information, contact ITTO; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; internet: <http://www.itto.or.jp>

GLOSSARY

BPF	Bali Partnership Fund
BWP	Biennial Work Programme
C&I	Criteria and Indicators
CBD	Convention on Biological Diversity
CDM	Kyoto Protocol Clean Development Mechanism
CEM	Committee on Economic Information and Market Intelligence
CFA	Committee on Finance and Administration
CFI	Committee on Forest Industry
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC	Chain of Custody
CRF	Committee on Reforestation and Forest Management
CSAG	Civil Society Advisory Group
EP	Expert Panel
FAO	Food and Agriculture Organization of the United Nations
FSC	Forest Stewardship Council
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUFRO	International Union of Forest Research Organizations
IWPA	International Wood Products Association
NTFP	Non-Timber Forest Products
REDD	Reducing Emissions from Deforestation and Forest Degradation
SFM	Sustainable Forest Management
TAG	Trade Advisory Group
TPs	Thematic Programmes
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
WCA	Working Capital Account