



## ITTC-32 HIGHLIGHTS: TUESDAY, 14 MAY 2002

On Tuesday, ITTC-32 delegates convened in Committee meetings, conducted the Annual Market Discussion, and met in a Council session to consider, *inter alia*, the Mangrove Conservation Programme, certification, the ITTO's contribution to the World Summit on Sustainable Development (WSSD), and an ITTO long-term strategic plan. A side event on forest fire management was also convened.

### COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

The Committee on Reforestation and Forest Management (CRF), chaired by Angela Andrade Pérez (Colombia), considered a synthesis report on ex-post evaluations of three forest fire-related ITTO projects in Indonesia (CRF(XXX)/13). The projects addressed: steps needed to rehabilitate areas of East Kalimantan affected by fire; establishment of a demonstration plot for rehabilitation; and integrated forest fire management. It was noted that a full-time fire management programme in Indonesia was critical and that the National Guidelines on the Protection of Tropical Forest Against Fire could provide a good starting point. INDONESIA advocated raising stakeholder awareness of the adverse impacts of forest fire and drawing up a comprehensive action plan for forest fire management involving all stakeholders. JAPAN emphasized linkages between forest fires and management of degraded lands.

An ex-post evaluation (CRF(XXX)/14) reported on two projects in Malaysia and Indonesia contributing to transboundary biodiversity conservation in a joint conservation area. On the Malaysian project, the evaluation noted that biodiversity surveys had contributed significantly to science, and highlighted strengthened approaches in community development. Regarding the Indonesian project, the evaluation stressed realistic design and planning, and participation of local stakeholders and decision makers. MALAYSIA highlighted development of biological data in the Malaysian projects, and noted the need for a long-term management plan and strengthened collaboration. INDONESIA emphasized involvement of local communities and strengthening of local capacity. SWITZERLAND called for recommendations on how governments should implement transboundary cooperation.

The Chair established a working group to select the most appropriate completed projects for ex-post evaluation from those listed in CRF(XXX)/5. The Committee then reviewed project and pre-project work in progress.

Delegates also heard a presentation on statistics on bamboo and rattan, a joint project between INBAR and ITTO, addressed the availability of bamboo and rattan data with respect to resources, production and trade. Recommendations for action included, *inter alia*: strengthening the resource database; improving collection of production statistics; and improving trade coding to identify bamboo and rattan products in international trade statistics.

### COMMITTEE ON FINANCE AND ADMINISTRATION

The Committee on Finance and Administration (CFA), chaired by Kayoko Fukushima (Japan), considered the Statements of the Administrative Account (1986-2002) (CFA(XI)/3), which detail

producer and consumer members' contributions to the Administrative Budget for 2002, and note arrears in contributions from former members. The Secretariat confirmed the US' recollection of a previous agreement to remove these arrears, but noted that the Council had not yet taken a decision on the matter. Delegates then considered the Status of the Administrative Account for Financial Year 2002 (CFA(XI)/4). The US requested clarification on the exchange rate used for the budget estimation, cautioning that exchange rate fluctuations could significantly impact the budget, and suggested that a policy be formulated on the rate used. The Secretariat clarified that the exchange rate used was that current at the time the budget estimation was conducted. The Committee agreed to revisit the matter following informal consultations between the Secretariat and interested members. Delegates also considered the Resources of the Special Account and Bali Partnership Fund (CFA(XI)/5), including Switzerland's recent US\$2.5 million contribution to the Special Account, and the Auditor's Report for Financial Year 2001 (CFA(XI)/2).

### CFA WORKING GROUP ON NEW AND INCREASED FUNDING

Participants discussed measures to attract more funding for ITTO's development work. On expanding traditional donor participation, the US highlighted the need to familiarize ODA agencies with ITTO's project activities, and reported that it is considering hosting a discussion to introduce the ITTO and other CPF members to foundations and multilateral development banks to attract increased funding for forests. SWITZERLAND supported improving the efficiency of project financing procedures, and advocated integrating more NGOs into ITTO project management and ITTO activities in general. INDONESIA agreed that the screening mechanism could be enhanced, and highlighted the advantages of pre-projects.

### COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE

The Committee on Economic Information and Market Intelligence (CEM), chaired by Astrid Bergquist (Sweden), considered the Report of completed projects and pre-projects (CEM(XXX)/2). The Secretariat reported that the results of the ex-post evaluation would be presented at the next Committee session, and recommended, and the Committee agreed, that the ex-post evaluation budget be increased by US\$50,000, and that the Secretariat prepare a strategic plan on structuring the evaluation in order to most effectively use the limited funds available. The Committee considered a report on projects, pre-projects and activity in progress (CEM(XXX)/3), which identified projects with implementation problems, and agreed to recommend additional funds for ITTO projects on development of a forest statistics questionnaire and for review of timber treatment processes in Papua New Guinea, as well as to extend a project to establish a sustainable tropical forest product information system in China.

### ANNUAL MARKET DISCUSSION

Dani Pitoyo, Indonesian Wood Panel Association (APKINDO), APHI and ISA, described current trends and issues in the Indonesian timber sector, and stressed the need to ensure market access for Indonesian forest products.

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Totok Lestiyo, APKINDO, discussed Indonesian industry experiences with certification. He outlined a memorandum of understanding between the Forest Stewardship Council (FSC) and LEI, an Indonesian ecolabel, which includes a joint certification protocol. He stressed that the greatest challenge is to make forest management financially viable. He called on the ITTO to encourage accreditors to use national criteria and indicators in accordance with national forest conditions and regulations, and provide technical support to concession holders to achieve certification of sustainable forest management (SFM).

Patrick Moore, Greenspirit, delivered the keynote address, entitled "Trees are the Answer." He challenged allegations that commercial logging and forestry activities are responsible for species extinction and that the pulp and paper industry is responsible for forest loss. He suggested that clear-cuts are more biodiverse than meadows, said history has shown that forests regenerate by themselves after total destruction or severe disturbances, and stated that deforestation is not an "evil plot" but is necessary to provide food and housing for human beings. He criticized environmental NGOs' appeals to use less wood, stating that wood is the most renewable and environmentally friendly of all materials, and highlighted plantation forests as a model for sustainable development. He suggested that certification places excessive demands on developing producer countries, and highlighted the fact that most certified forests are non-tropical forests in developed countries.

The GLOBAL FOREST POLICY PROJECT highlighted certification as a useful tool to bridge different interests in forest management and, supported by the NETHERLANDS and the US, stressed the need for more balanced market discussions that also include the perspectives of environmental groups. Commenting on Moore's apparent endorsement of the use of clear-cutting, the NETHERLANDS stressed the need to understand that different conditions in temperate and tropical forest ecosystems require different management techniques, and called for greater nuance in discussions on forestry practices. The US highlighted the speaker's role as a provocateur, and advocated efforts to bridge conflicting perspectives as a more constructive way forward.

Ivan Tomaselli, STCP, addressed trends and current issues in the Brazilian timber sector, highlighting the need to promote tropical timber products, increase productivity in the production chain, apply more effective regulation, and remove trade barriers.

Jim Bourke, Consultant, highlighted the decline in trade in tropical timber, and outlined challenges, including uncertainty, changing forest management, and trade disruption, as well as opportunities, such as climate change and payments for environmental services. He suggested that ITTO's activities could be improved by identifying clear priorities based on the Yokohama Action Plan and focusing on outputs and follow-up of ITTO studies.

#### **SIDE EVENT ON ITTO'S ROLE IN FOREST FIRE MANAGEMENT**

A side event on the ITTO's role in forest fire management featured presentations on: fire-fighting capacity in Brazil and Ghana; preventing and combating forest fires in the Brazilian Amazon; ITTO's role in dealing with fire in the tropics; forest fire management in South-East Asia; and field testing on forest fire prevention with indigenous knowledge.

*Editor's Note: For more extensive coverage of this event, see Thursday's issue of ENB or visit ENB's website at <http://www.iisd.ca/linkages/forestry/itto/ittc32>*

#### **COUNCIL SESSION**

The Council convened to address several agenda items in the afternoon. On CITES listing proposals by members, the Secretariat reported that no proposals had been received. MALAYSIA called for a departure from the current listing procedure, stressing the importance of consultations and provision of supporting evidence to ensure that listings are objective.

The Report of the Expert Panel on the ITTC Mangrove Workplan (ITTC(XXXII)/5) was presented. Many delegates recommended that: work on mangrove forests be based on members' projects; the ITTO's role be limited to support of these projects and cooperation and avoidance of duplication of efforts with other organizations; and the Workplan could be useful in appraising mangrove conservation projects, which should follow the usual

ITTO project cycle. MALAYSIA urged the ITTO to assume a more active role in managing mangroves. Delegates agreed to form a working group to address these matters.

Delegates discussed proposals for ITTO's contribution to the WSSD contained in the report of the recent IAG meeting (ITTC(XXXII)/2). JAPAN advocated convening an ITTO side event at the WSSD, while MALAYSIA and others suggested that the late timing and space constraints in Johannesburg could preclude this. On whether the ITTC should adopt its own political message to the WSSD, the US, with SWITZERLAND and PAPUA NEW GUINEA, supported a very simple message highlighting ITTO's success with supporting project activities on the ground while also providing a forum for dialogue. The REPUBLIC OF KOREA suggested it was too late to formulate a negotiated message, but supported a presentation prepared by the Secretariat. INDONESIA supported sending the ITTO Executive Director to the WSSD. Chair Blaser proposed that the caucuses discuss the matter further.

Delegates commented on the report of the recent ITTO workshop on forest certification (ITTC(XXXII)/10). Several producer countries supported a phased approach to certification, with GHANA emphasizing targets to ensure credibility, and the EU and the GLOBAL FOREST POLICY PROJECT calling for further conceptual deliberations. JAPAN, supported by the REPUBLIC OF KOREA, proposed that the report be used as a reference document for certification schemes. JAPAN recommended that the ITTO support establishing certification schemes in producer countries and capacity building and training. MALAYSIA said the ITTO should enhance regional efforts and initiatives. SWITZERLAND, with the EU and GABON, recognized that certification and chain of custody assist in combating illegal logging. SWITZERLAND called for a special ITTO action plan on certification as an attachment to the Yokohama Action Plan. The EU called for mutual recognition between certification schemes. Highlighting certification as a market-based tool for promoting SFM, the US, with PAPUA NEW GUINEA, said the ITTO should not endorse or be perceived to endorse particular certification schemes. The FSC expressed strong interest in sharing its expertise and in collaborating with the ITTO to increase the capacity of producer countries to engage in the international certified forest product marketplace.

Delegates then discussed the desirability of and work on an ITTO long-term strategic plan. SWITZERLAND said that the issue should be revisited under the new ITTA, and recommended that a working group discuss the new ITTA rather than a long-term strategic plan. Some delegates, including the EC, said that the current agreement should be extended to 2006, as negotiations are time-consuming. The US opposed embarking on negotiations of a new agreement at this juncture, but suggested that a working group could examine planning for the future. INDONESIA, JAPAN and CHINA opposed working on a long-term strategic plan at this point. Delegates then considered the Progress report on the implementation of the ITTO Work Programme for 2002 (ITTC(XXXII)/11) and the Draft Annual Report for 2001 (ITTC(XXXII)/4).

#### **IN THE CORRIDORS**

The keynote speech of the Annual Market Discussion sparked strong reactions and created a major buzz in the corridors Tuesday. While some producer countries and industry representatives supported its portrayal of forestry as a necessary and positive contribution to sustainable development and appreciated that it "freed the forest industry of its guilt" as drivers of deforestation, and others thought that it balanced similarly radical NGO positions and weeded out old conservationist myths, others found it simplistic and offensive and feared it would polarize perspectives at a time when building bridges is critical. The invitation of this speaker by the Trade Advisory Group fueled demands for more balanced market discussions in the future, including perspectives from environmental groups, and some observed that this could lend increasing support for a proposal to create an advisory group for environmental NGOs.

#### **THINGS TO LOOK FOR TODAY**

**COMMITTEE SESSIONS:** The CRF will meet in the Nusantara Room from 9:00 am-12:00 pm, and the CFA from 9:00-10:30 am in Jakarta Room B. A Joint CEM/CFI session will convene in Jakarta Room B from 9:00-10:30 am.