



ITTC-32 HIGHLIGHTS: WEDNESDAY, 15 MAY 2002

On Wednesday morning, delegates at ITTC-32 convened in meetings of the Committee on Reforestation and Forest Management (CRF) and the Committee on Finance and Administration (CFA), and in a Joint session of the Committees on Economic Information and Market Intelligence (CEM) and on Forest Industry (CFI). Delegates went on a field trip to the Mangrove Information Center in Tuban in the afternoon.

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

The CRF continued to review the progress or status of projects (CRF(XXX)/4). Delegates reviewed projects on, *inter alia*, an alternative financing model for sustainable forest management (SFM) in Colombia, and development of management plans for forest areas in Congo.

The Committee then considered proposals for projects and pre-projects. Project proposals were approved for: phase II of a model forest in Indonesia; implementation of a network of stands dynamics monitoring plots in Côte d'Ivoire; genetic resistance of Iroko to *Phytolyma lata* in Côte d'Ivoire; management of mangrove forests in Egypt; promoting sustainable use and conservation of valuable timber trees in Peruvian Amazon; the Second Latin American Forestry Congress; a timber production plantation in Togo; sustainable production of national forests under the "Regime of forest concessions" in Brazil; and a plantation promotion seminar in Brazil.

Proposals were not approved for projects on: participatory management of residual forests in Togo; fire, logging and site interaction in the management of lowland tropical forests in Papua New Guinea; management and rehabilitation of Nepal's tropical forests; national capabilities to implement national forest inventories in the Amazonian sub-region; and development of various types of plantations to promote SFM in Bali.

Pre-project proposals were approved for: a study on conservation, rehabilitation and sustainable management of mangroves in Togo; assistance to local populations for the realization of a participatory and integrated project on forest management and reforestation in Togo; conservation and sustainable management of mangroves in southern Congo; a global firefighting initiative focused on prevention rather than a cure initiated by Switzerland; and promotion of the Kyoto Protocol's Clean Development Mechanism (CDM) within the framework of SFM in local communities in Indonesia. A pre-project proposal for managing village teak plantations in the Côte d'Ivoire was not approved.

Delegates then heard a report by Douglas MacCleerly, US, on the results of the Working Group on ex-post evaluation, which met on Wednesday, 14 May. The Working Group discussed lessons related to project design, project implementation, sustainability and dissemination of results. Regarding project design, the Group noted, *inter alia*, lack of meaningful collaboration and links with local stakeholders, baseline surveys and feasibility studies, and logical frameworks with measurable indicators for evaluating

success, as well as weak formulation of objectives. Regarding project implementation, the Group noted unrealistically short implementation schedules and a lack of adequate monitoring systems, early and continued stakeholder involvement, and mid-term evaluation. Regarding sustainability, the Group noted a lack of monitoring of the long-term impacts, and failure to develop a strategic plan to institutionalize project gains and to integrate projects with the needs of local communities.

Recommendations included, *inter alia*: a more proactive role for the Secretariat in identifying and addressing project problems during implementation and notifying the CRF and the ITTC if the ITTO budget is insufficient for proper monitoring; addressing issues related to sound project design and effective stakeholder involvement in pre-project proposals; a more proactive role for the Secretariat in disseminating project results and lessons learned; special attention to evaluating long-term sustainability of projects' effects; a more proactive role for the Expert Panel for Technical Appraisal of Project Proposals in weeding out poorly designed projects; and inclusion of requirements for technical and performance measures of project implementation in the terms of reference for the financial audit.

In the ensuing discussion, COLOMBIA emphasized linking target groups throughout the project cycle. GABON said most projects only focus on the short term and that often the executing agency is not in contact with ITTO staff, making it difficult to make changes. The Secretariat agreed it could take a more proactive role in disseminating results, but said the projects themselves must also be more proactive in disseminating results within their countries. The Committee agreed to postpone discussion of a proposal for a workshop on demonstration areas for the sustainable management of production forests in the tropics until ITTC-33.

COMMITTEE ON FINANCE AND ADMINISTRATION

CFA Chair Kayoko Fukushima (Japan) presented the Report to the CFA by the Working Group on New and Increased Funding to the Organization (CFA(XI)/6), which met on Tuesday, 14 May. The Working Group observed that government representatives attending ITTC sessions are often not those dealing with financing, and thus financing agencies may not appreciate the need to provide financing for ITTO, and noted the need to focus on attracting ODA and bilateral channels of cooperation. To maintain their contributions, some donors highlighted the importance of integrating more NGOs into ITTO's work and increasing ITTO's visibility in international fora and within donor countries. The Group also highlighted the importance of exploring the conditions required by potential donors to attract financing, and encouraging ITTO involvement in the CDM.

Regarding the Working Group's observation that producers should consider associating ODA when formulating project proposals, the US clarified the Group's intention that ODA representatives were to be associated in the process of developing proposals to increase their interest in financing. She also clarified that the US had suggested holding a specific event at a Council session targeted at donors to demonstrate how ITTO activities are

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relevant to their work, and that the US is planning to host a "Friends of ITTO" meeting prior to ITTC-33 to familiarize countries, foundations, multilateral development banks and others with ITTO's activities.

Regarding an observation noted in the report that producers should be encouraged to prepare an elaborate country or regional programme of activities, such as the Technical Mission to the Congo Basin, with a view to increasing the efficiency of project financing, the US noted that an open-ended approach to the formulation of missions was not the intention, and SWITZERLAND clarified that the idea was to have a more strategic and structural approach to how projects are formulated in some countries. Regarding the need for efforts to develop project proposals attracting co-financing or enhance funding opportunities by linking with other organizations, the US stressed the need to work with the Collaborative Partnership on Forests to look to such opportunities. The Committee adopted the Auditor's Report for Financial Year 2001 (CFA(XI)/2), and agreed that the Secretariat should report on the implications of Arthur Andersen's situation at ITTC-33.

The Committee considered the Report to the CFA by the Inter-session Working Group on Financial and Administrative Matters (CFA(IX)/7), and discussed issues of arrears and old debts and the need for legal review on actions in this area. The US proposed, and the Committee agreed, that the Committee's report recommend that these issues be discussed at the next CFA session in November with a view to taking a decision.

JOINT COMMITTEE SESSION

Delegates were presented with an inception report of a pre-project for a review of international wooden furniture markets (CFI(XXX)/5). The presentation outlined challenges, including: growing out-sourcing of semi-finished products and components from developing countries; tightening environmental regulations; mounting of certification and labeling requirements on furniture; substitution pressure from new material combinations; higher demand for more diversified and refined products of sustainable plantation woods; and gradual lowering of import tariffs. The draft final report will be presented at ITTC-33, and the final report submitted to the ITTO in December 2002. The Committee considered the project idea for improving the utilization efficiency in wood industries in the South Pacific, and encouraged further work and preparation of a project proposal.

Delegates then discussed the desirability of life cycle analysis (LCA) of tropical timber products as a potential tool for improving the competitiveness of tropical timber. MALAYSIA noted the shrinking market share of tropical timber in Germany due to plastic and aluminium substitutes, said that LCA could be an important marketing tool for all timber and, with others, fully endorsed the ITTO's work on LCA. The FAO informed the Committee of an FAO study on the environmental advantages of wood substitutes in housing. The Committee supported the Secretariat's proposal to review available studies on LCA of tropical timber products, including the FAO study.

Jim Bourke, Consultant, elaborated on creating greater opportunities for tropical timber trade from the ITTO, focusing on the review of ITTO's market or industry-related studies. He said that although the studies produced information and raised awareness, their recommendations were not necessarily clear, specific or easily implementable. He also stressed the lack of a consistent process in selecting and conducting studies and of organized evaluation of the outcomes. He recommended, *inter alia*: identifying clear priorities for studies; focusing the terms of reference on outputs and feasible follow-up activities; organizing better distribution; promoting action based on studies' outcomes; and identifying policy issues. The US endorsed these recommendations, and suggested forming a group to follow up on studies, and reviewing studies in the same manner as projects. The issue will be further discussed at ITTC-33.

SIDE EVENT ON ITTO'S ROLE IN FOREST FIRE MANAGEMENT

A side event on the ITTO's role in forest fire management was convened on Tuesday, 14 May. James Dunlop, Former Head of the Forest Protection Branch, British Columbia, addressed fire fighting

capacity in Brazil and Ghana, and highlighted, *inter alia*, fire as an important tool used in the agricultural economy; a highly sophisticated and accurate monitoring system and elite group of fire-fighters in Brazil; and the lack of sophisticated communication and weather and fire danger monitoring in Ghana. He recommended a national fire coordination center; fire reporting systems; and improved communications.

João Antonio Raposo Pereira, Fire Monitoring Coordinator, PROARCO, MMA/IBAMA, Brazil, outlined a programme to prevent and combat large forest fires in the Amazon. He discussed, *inter alia*, monitoring with satellite location systems, differences between burnings and wildfires, and "solidarity burning." He said future steps include preparing magnetic cards for prescribed burnings, and developing sensors for fire mapping.

James Sorensen, Consultant, noted that: tropical forests were once considered fireproof, which has left many unprepared to deal with fires; the ITTO provides a wealth of opportunities; and the ITTO Guidelines on Fire Management in Tropical Forests can be applied and tailored to specific country conditions. He said components of a fire management programme include prevention, detection, suppression, and fire use.

Dicky Simorangkir, WWF/IUCN Firefight Project, Southeast Asia, highlighted forest fires as a global problem, noting an imbalance in policies and regulations on fire management in Southeast Asia and unclear roles and responsibilities. He emphasized the importance of local knowledge and involvement of stakeholders, and recommended integrated fire management plans.

Ross Smith, New South Wales Rural Fire Service, noted severe problems with haze pollution and damage to forests and plantations in West Kalimantan due to fires, and proposed establishing a forest management agency. He emphasized involvement of local communities, and called for simple rather than technological solutions.

Daddy Ruhayat, University of Mulawarman, East Kalimantan, presented a project on field testing of forest fire prevention based on indigenous knowledge.

During the ensuing debate, participants discussed the expected role of the ITTO in forest fires, with some noting that burning for land clearing is beyond the Organization's scope, although the ITTO could address exchange of information and experiences between countries.

IN THE CORRIDORS

Wednesday afternoon's field trip was welcomed by some as an auspicious opportunity to experience firsthand a sustainable forest management project in action on the ground, and as a needed break before diving into intense and possibly late-night negotiating sessions for the remainder of the week. Others, however, expressed frustration with the scheduling of the excursion only hours before the deadline for the submission of draft decisions, particularly in light of some confusion as to the process of how decisions were to be drafted, and the potentially controversial nature of some of the decisions, such as those on certification and the organization of work.

THINGS TO LOOK FOR TODAY

COUNCIL SESSION: The Council will meet in the Nusantara Room from 10:00 am-12:30 pm to consider the Report of the Informal Advisory Group, Guidelines for the Management of Secondary Tropical Forests, Tropical Forest Restoration and Rehabilitation of Degraded Lands, strengthening SFM in Central African countries (Congo Basin), ITTO Objective 2000, and the Progress report on the implementation of the ITTO Work Programme for 2002.

CHAIR'S OPEN-ENDED DRAFTING GROUP: The drafting group will meet from 12:30-2:00 pm and again at 5:00 pm in the Surabaya Room.

PANEL ON SUB-ACCOUNT B OF THE BALI PARTNERSHIP FUND: The Panel will meet from 12:30-2:00 pm in the Bandung Room.

COMMITTEE SESSIONS: The CEM will convene in the Nusantara Room, and the CFI in Jakarta Room B, from 2:00-5:00 pm.