



ITTC-32 HIGHLIGHTS: FRIDAY, 17 MAY 2002

Delegates at ITTC-32 met in sessions of the four Committees in the morning to address outstanding issues and adopt their reports to the Council. Delegates also convened in a Chair's open-ended drafting group in the afternoon and evening and completed negotiations on the draft decisions.

COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE

The Committee on Economic Information and Market Intelligence (CEM) heard a report by Panama on the results of consultations on a project proposal for technical assistance for the formulation of a forest certification project aimed at the sustainable management of natural and planted forests in Panama. It was decided that this project would be further revised and reconsidered at the CEM's next session. BRAZIL informed the CEM on discussions regarding a proposal for a Brazilian forest certification programme, and said revisions had been made, including to the budget. The Committee then approved the project proposal.

The Committee then reviewed its draft report to the Council. In reference to the Annual Market Discussion, a trade representative requested that the report reflect that time constraints prevented all country reports from being presented. Regarding the section on policy work, a new paragraph was added, on creating greater opportunities for tropical timber trade from ITTO's work, with amendments from the US. It notes that: the item was considered at a joint Committee session with the Committee on Forest Industry; the CEM noted recommendations made by the consultants hired to review related ITTO studies; a process for reviewing the output of studies would be further considered; follow-up actions would be recommended to the Council; and the issue would be further considered at the next CEM session. The Committee then adopted its report.

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

The Committee on Reforestation and Forest Management (CRF) approved its draft report to the ITTC (CRF(XXX)/19), with a comment from JAPAN that a project on participatory management of residual forests in Togo needs further consideration before being approved.

COMMITTEE ON FOREST INDUSTRY

Candy Green (US), Chair of the Committee on Forest Industry (CFI), introduced the Committee's draft report to the ITTC, which the Committee adopted with minor amendments.

COMMITTEE ON FINANCE AND ADMINISTRATION

The Committee on Finance and Administration (CFA) addressed an outstanding issue under the current status of the Administrative Account regarding concerns expressed by the US on the proposed authorization to transfer up to US\$200,000 from

the Working Capital Account to the Administrative Account should there be a deficit. The Committee accepted the US' amendment to authorize the transfer of US\$100,000.

Kayoko Fukushima (Japan), Chair of the CFA, then introduced the Committee's draft report to the Council. On a paragraph on the possible write-off of arrearages of a former ITTC member, the Committee agreed to the US' amendment to note that the CFA concluded that any write-off of arrearage needs to be carefully considered, and decided that no action was to be taken at this time. Regarding a paragraph noting the Committee's decision to discuss arrearages in contributions as a separate agenda item at its next session, the US suggested that the Committee had fully discussed the matter at its current session and did not need to discuss it further at its next session, and proposed that the Committee recommend that the matter be an agenda item for the Council at ITTC-33. The Chair noted that the issue had not been on the CFA's agenda for the current session and thus members were not prepared to discuss it, and stressed the need for a full and substantive discussion at the CFA's next session. Delegates agreed to the US' reformulation that the matter be identified as a separate agenda item at the next CFA session and discussed as a possible future action by the Council. Delegates also agreed to text emphasizing the utility of a legal review on any actions to make them consistent with the ITTA, 1994 and requesting the Secretariat to provide for such a review for the next session.

CHAIR'S OPEN-ENDED DRAFTING GROUP

Delegates discussed the draft decision on the ITTO's role and contribution to the WSSD. They added reference to the ITTO in the title of the decision, and preambular language reaffirming the ITTO's commitment to trade from sustainably managed forests as expressed in the ITTO Yokohama Action Plan 2002-2006. They also decided that the ITTO's message to the WSSD should emphasize a range of ITTO activities. A consumer country recommended ensuring that countries' WSSD delegations are informed about and help to promote the ITTO message. Another consumer country stressed the importance of including the message in the WSSD documents relevant to the debate on forests. They agreed that voluntary contributions for ITTO participation in the WSSD should not exceed US\$50,000.

The drafting group then considered the draft decision on mangroves, agreeing to entitle it "Sustainable Management and Conservation of Mangrove Forest Ecosystems: ITTO Mangrove Workplan." Delegates agreed to change references to mangroves to "mangrove forests." Delegates added language recalling the ITTO Yokohama Action Plan 2002-2006, which, *inter alia*, promotes the conservation, rehabilitation and sustainable management of threatened forest ecosystems, *inter alia*, mangrove forests, in collaboration with relevant organizations. Language was also added recognizing that the ITTO is one of several organizations involved in mangrove work, as demonstrated by the International Workshop on Mangroves; and noting the ITTO's limited resources and the need to maintain a balance between the ITTO's numerous goals.

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Delegates then discussed a draft decision on organization of work under ITTA, 1994. Regarding the composition of a working group to identify and discuss measures to improve the efficiency of the ITTO, one producer country proposed that the group be comprised of three producer and three consumer country members, rather than six each. One consumer country preferred four rather than three members each. Taking this concern into account, delegates discussed the possibility of whether to have the Chair and the Vice-Chair or the Consumer and Producer Spokespersons as additional members, and agreed to revisit this issue. One producer country added language reflecting that discussions take into account the provisions of the ITTA, 1994, and the ITTO's workload. Language was also included that authorizes the Executive Director to seek voluntary contributions from member countries to meet the financial requirements of this decision, not exceeding US\$60,000. Delegates also agreed to the terms of reference for the working group.

A small drafting group discussed the draft decisions on SFM in the Congo Basin and forest law enforcement in Africa. On the former, several consumer countries stressed that funding to implement the decision would be difficult to secure as it lacked focus and required more specific terms of reference for a proposed workshop to develop a regional programme of applied research. A producer country specified that the workshop would be in French. Delegates supported a consumer country's recommendation to clarify the nature of a proposed regional partnership for cooperation by defining it as a Type II partnership initiative for WSSD. Regarding the proposed study to take stock of and analyze regional experiences in forest management and partnerships, delegates agreed to request that the Executive Director present to ITTC-34 the draft terms of reference and budget for this study.

On the draft decision on forest law enforcement in Africa, delegates agreed to a producer country proposal to add language to the preamble on the need to improve data collection and management on tropical forests. Delegates also agreed to seek voluntary contributions for a budget of US\$50,000 for the development of a programme to acquire and analyze data required for more effective concession management and to ensure conservation of protected areas. One producer country sought clarification on the ITTO's experience in sending international NGOs to work in member countries. Delegates further agreed to urge the Executive Director to participate in the June 2002 preparatory meeting and the planned ministerial conference on forest law enforcement and governance in early 2003 and report back to the Council on outcomes and possible follow-up action.

The drafting group then negotiated the draft decision on certification. Regarding a proposed study, delegates debated whether it should investigate "phased approaches to SFM that could lead to certification" or "phased approaches to certification that could lead to SFM," ultimately agreeing to call for a study on "the potential of phased approaches to certification as a tool to achieve SFM." Regarding proposed regional consultations on certification and SFM, some delegates preferred to convene workshops. While some delegates recommended that the workshops focus on phased approaches to certification, others suggested this would prejudice the results of the study, and delegates agreed instead that three regional workshops should disseminate and discuss the results and implications of the study and make recommendations to ITTC-34. Delegates also agreed to request the Executive Director to facilitate improved understanding, information-sharing and dialogue between interested parties regarding phased approaches, with a consumer country emphasizing that both producer and consumer countries be involved.

Delegates agreed to encourage member countries to support proposals for national capacity building for certification in producer countries. Regarding implementation of the decision, some consumer delegates preferred that its financial requirements be based on voluntary contributions rather than on the Sub-account B of the Bali Partnership Fund. Chair Blaser suggested, and delegates accepted, authorizing the Executive Director to seek voluntary contributions and use funds from Sub-account B of the Bali Partnership Fund in the absence of sufficient voluntary contributions.

On the preamble, delegates agreed to recognize that certification can contribute to law enforcement and related trade. Regarding proposed language that the ITTO should not endorse any particular certification scheme, one consumer country preferred specifying that the ITTO should not "endorse, develop or adopt" any particular schemes. Others opposed the addition, and the issue remained pending. In discussing the decision's title, some delegates stressed that it should reflect that phased approaches to certification be implemented at the country level, and delegates ultimately agreed to entitle it "The Potential Role of Phased Approaches to Certification in Tropical Timber Producer Countries as a Tool to Promote SFM." Chair Blaser then established a small working group to develop terms of references.

On the terms of reference for the consultants to prepare the study on phased approaches, delegates discussed and reached agreement that the consultants, one from a producer and the other from a consumer country, will undertake a study on the potential role of phased approaches to certification as a tool to promote SFM. The study will: consult with relevant parties, including buyers groups, forest industry, retailers, consumer groups, certifiers, forest owners and managers, governments, environmental and social NGOs, local communities, and indigenous peoples; elaborate the concept and reflect the full range of views on phased approaches to certification; identify existing models and initiatives on phased approaches; analyze the elements and operations of existing models and initiatives; collect and analyze information on market acceptance of existing models and initiatives; identify key issues, potentials, risks and constraints on possible design and implementation of phased approaches; and identify and elaborate on common elements and stages of phased approaches. Delegates debated when the report should be completed and whether it should be approved by the Council prior to the regional workshops, and ultimately agreed that the consultants should prepare a preliminary report to present at ITTC-33 and, taking into consideration comments and views of member countries and workshop participants, finalize the report and present it to ITTC-34.

Regarding the terms of reference for the workshops, delegates agreed that the three regional workshops will be three days in duration and convened in Africa, Asia-Pacific and Latin America between ITTC-33 and ITTC-34, and the purpose of the workshops will be to disseminate and discuss results and implications of the study and comments from member countries, and make recommendations to ITTC-34. The Secretariat, in extending invitations to participants, should seek to provide a balance of the following views at the workshop: producer and consumer member countries, forest owners and managers, certification schemes, environmental and social NGOs, local communities and indigenous peoples, buyers and consumers groups, and industry and retailers.

IN THE CORRIDORS

Despite early fears that decisions on the organization of work and on the Congo Basin would be held hostage to the decision on certification, delegates were relieved that agreement was reached on the decisions. As the certification negotiations wore on, and concerns about the draft decision's underlying prospects for the ITTO's future role in certification came to the fore, the need for a more honest discussion on the issue at ITTC-33 became increasingly clear. Informally, some delegates expressed the view that the certification decision at this session merely sidestepped the real "meat" of the issue – whether the ITTO should be directly engaged in developing certification schemes. Others said that developing phased approaches to certification could provide the much needed bridge between current forest management in tropical producer countries and that needed to achieve certification, and thus provide producers with an incentive to implement sustainable forest management on the ground.

THINGS TO LOOK FOR TODAY

COUNCIL SESSION: The Council will convene in its final session of ITTC-32 at 10:00 am in the Nusantara Room to complete its agenda and adopt its decisions.