



ITTC-33 HIGHLIGHTS MONDAY, 4 NOVEMBER 2002

The opening session of the thirty-third session of the International Tropical Timber Council (ITTC-33) convened on Monday to hear opening statements and discuss organizational matters. A Joint Committee convened briefly in the afternoon, before the thirty-first sessions of the Committee on Forest Industry (CFI), the Committee on Reforestation and Forest Management (CFR) and the Committee on Economic Information and Market Intelligence (CEM), and the twelfth meeting of the Committee on Finance and Administration (CFA).

COUNCIL SESSION

Delegates observed a minute of silence in memory of Hide-nobu Takahide, former Mayor of Yokohama, and Léo Scherman, translator of the Council.

OPENING STATEMENTS: Jürgen Blaser, ITTC Chair, stressed the success of ITTC-32 and called on delegates to strengthen ITTO by concentrating on ongoing activities rather than adopting new substantive decisions. He said areas requiring further consideration by ITTC-33 include: restoration of degraded and secondary tropical forests; timber certification; forest law enforcement; international cooperation; and the status of tropical forest management. Noting the creation of the Civil Society Advisory Group (CSAG), he stressed the need for dialogue and cooperation between producer and consumer countries, and civil society. He expressed hope that progress would be made on ITTO's organization of work and on setting the process and calendar for renegotiating ITTA, 1994.

Manoel Sobral Filho, ITTO Executive Director, welcomed delegates to ITTC-33 and thanked the city of Yokohama for its continued financial support. He reviewed ITTO's portfolio of projects and activities on conservation, sustainable forest management (SFM), criteria and indicators, restoration and rehabilitation of degraded areas, forest law enforcement, participation in international processes, and communication. Sobral expressed hope that the ITTO would become a niche for certification and stressed the need for partnerships and improved efficiency. He noted that forest fires and better reporting of data on trade in tropical timber require particular attention.

Eisuke Hinode, Parliamentary Secretary for the Ministry of Foreign Affairs of Japan, called for a prompt start of the renegotiation of the Successor Agreement, and stressed the need for stricter management, and more efficient implementation of ITTO projects. He welcomed strengthening ITTO's cooperation with new partners, including civil society.

Hiroshi Nakada, Mayor of Yokohama, highlighted the role of Japan and the city of Yokohama in the ITTO process, and stressed that Yokohama will continue to serve as the ITTO's headquarters.

Tetsuo Kato, Director-General, Forestry Agency Japan, commended ITTO's achievements. Stressing the need to prevent illegal logging, he called for internationally-coordinated activities in this area, developing guidelines, and certification. Noting the multifunctional role of forests, Kato highlighted Japan's forest protection efforts, including its support to producing countries and the ITTO.

Oben Tanyi Mbiyanor, Minister of Environment and Forests of Cameroon, on behalf of the Congo Basin countries, thanked the partners facilitating SFM in the region, and outlined efforts to protect Cameroon's forests. He emphasized the need for a sustainable reforestation programme in Cameroon.

José Carlos Carvalho, Minister of Environment of Brazil, highlighted Brazil's efforts to ensure SFM based on social participation in forest conservation and use. He commended broadened international aid to address Brazilian forestry issues, and called for further actions on illegal logging, and for projects related to mahogany in view of CITES priorities. Carvalho highlighted an offer to open a Central American Regional ITTO office in Brazil. He called for economic incentives for SFM, and recommended that the ITTO mandate be extended to sustainable use and management of forest resources.

ORGANIZATIONAL MATTERS: Delegates ascertained the quorum, adopted the meeting's agenda (ITTC(XXXIII)/1) and organization of work, and heard reports on the Council's membership and the eleventh meeting of the Informal Advisory Group (IAG) (ITTC XXXIII/2). On the distribution of votes (ITTC(XXXIII/1)Annex), CHINA questioned the increase of its membership dues. Delegates admitted all observers, with CHINA noting, and delegates accepting, that the Chinese Academy of Forestry is not a governmental organization, and should be listed as an NGO.

JOINT COMMITTEE SESSION

Patrick Hardcastle, Chair of the Expert Panel for Technical Appraisal, presented the report of the Expert Panel for Technical Appraisal of Project Proposals (CEM,CRF,CFI(XXXI)/1). He suggested ways of improving project proposals, and recommended, *inter alia*, revising the manual for project implementation, and better relating project proposals to the purposes of the ITTO.

The US suggested that consumer and producer countries co-develop proposals. SWITZERLAND and NEW ZEALAND supported revising the manual, with NEW ZEALAND suggesting that the Council help countries prepare proposals.

COMMITTEE ON FOREST INDUSTRY

CFI Vice-Chair Fidel Reyes Lee, Guatemala, introduced, and delegates approved, the provisional agenda (CFI(XXXI)/1), and admitted observers.

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Delegates reviewed the report on completed projects and pre-projects (CFI(XXXI)/3), and considered a project on Myanmar's lesser-known timber species and a pre-project for the Ecuadorian tropical timber industry environmental management, as completed.

Regarding ex-post evaluation missions, the Secretariat outlined progress in evaluation of a project on tropical non-wood forest products in the Philippines. On selecting the projects for ex-post evaluation, the Secretariat explained that the only completed project eligible for the evaluation is the project in Myanmar. Venezuela asked which criteria are used for selecting projects for evaluation. The Secretariat clarified that the key criteria are the budget and duration of the project.

COMMITTEE ON FINANCE AND ADMINISTRATION

CFA Vice-Chair Pravit Chittachumnonk, Thailand, opened the twelfth session of the CFA. Delegates adopted the agenda and organization of work (CFA(XII)/1) without amendments.

On the review of contributions to the administrative budget (CFA(XII)/3), delegates took note of requests by INDONESIA, the PHILIPPINES, and the REPUBLIC OF CONGO that recent payment of their arrears for 2002 be taken into account.

Regarding the current status of the Administrative Account (CFA(XII)/4), the US sought clarification on an expected deficit of US\$328,191 for 2002. The Secretariat explained that the deficit was based on an anticipated lack of contributions and noted that a draft decision would be prepared.

The Secretariat introduced, and delegates took note of, the document on resources of the Special Account and the Bali Partnership Fund (CFA(XII)/5).

On the review of appointment of auditors for 2002 (CFA(XII)/6), delegates agreed to re-appoint the current auditor. CAMEROON noted that some countries do not have the means to run annual audits. The US questioned whether the issue fell within the CFA's mandate, and delegates agreed to refer it to the Council and the Bureau.

On the year 2003 work programme, the Secretariat explained, and delegates noted, that it was included in the document on the Council's work programme (ITTC33/16).

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

CRF Chair Angela Andrare Pérez, Colombia, introduced a report on completed projects and pre-projects (CRF(XXXI)/3).

The Committee heard reports on specific projects, and discussed problems regarding financial reports, including unaccounted funds and lack of submission of reports. COLOMBIA presented a report on a criteria and indicators for SFM (C&I) project, and stressed the need for information, financial resources, capacity building, comparisons over time, SFM plans, and rules and regulations. She recommended, *inter alia*: keeping C&I flexible; taking into account economic and cultural factors; evaluating changes in biodiversity and developing national biodiversity strategies; and allowing sufficient time before evaluating implementation. MALAYSIA reported on a project regarding SFM cost analysis, and provided data on additional costs associated with SFM. The PHILIPPINES questioned the need for compensation for financial losses from SFM, noting additional benefits from it. The CRF considered as completed an SFM project in Bolivia and a pre-project on forest research base for SFM in Cambodia.

The Secretariat reported on progress in implementing ex-post evaluations. The Secretariat suggested that the Committee recommend that the Expert Panel's recommendation to revise project formulation and monitoring manuals be included in the draft ITTC decision on this issue. The US urged progress on ex-post evaluations, and requested that the Secretariat present elements for revising the manuals. A draft decision will be prepared.

On projects and pre-projects under implementation (CRF(XXXI)/4), the CRF considered projects and pre-projects that: have implementation problems; require additional funds; and request time extension or essential major modifications of their work plan and budget. The CRF, *inter alia*: approved the extension of the time period and the use of unspent funds for projects on SFM and human resources development in Indonesia; considered a project on preparation of a forest management plan in Congo; established a working group including donors' representatives to address delays in, and improper implementation of, the project on SFM in Panama; granted time extensions for projects supporting development of a forestry and wildlife law in Peru, and on education and training for SFM in Fiji; and considered progress in submitting reports on the projects on timber plantations in Togo, management standards in Malaysia, and conservation and maintenance of tropical forests biodiversity in the Philippines and Senegal.

COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE

CEM Chair Bergquist, Sweden, introduced, and delegates adopted, the agenda and organization of work, as well as admitted observers.

Jorge Maluenda, Sweden, introduced the Ex-Post Evaluation Report (CEM(XXXI)/3) including four projects and one pre-project which established national forestry statistics systems in Peru, Bolivia, Colombia and Panama. He noted that, despite a few minor problems, each project and pre-project has resulted in national-level forestry statistics infrastructures and contributed to the long-term development of forestry in these countries.

Regarding the proposal for a structured approach to selecting completed projects for ex-post evaluation (CEM(XXXI)/4), Chair Bergquist recommended, and the CEM agreed, to defer this item to ITTC-34.

On the review of projects, pre-projects and activity in progress (CEM(XXXI)/5), the CEM agreed to continue funding of a project on the market information service for tropical timber and timber products and allow the training workshops on tropical forestry and timber trade statistics to apply CEM's balance to future training workshops in conjunction with FAO.

IN THE CORRIDORS

Delegates to ITTC-33 started their work in an optimistic mood bolstered by the recent success of the ITTC-32 and the unprecedented attendance of some 250 registered participants, including strong representation from the environmental NGO community.

Not surprisingly, certification was flagged as the main substantive issue to be addressed by ITTC-33. Many anticipated little controversy on substance and expected process-related issues, such as the renegotiation of the ITTA, 1994 and the streamlining of the ITTO's work, to be centre stage. Some delegates were uneasy about the perceived unbalanced composition of the CSAG, dominated by advocates of a specific certification scheme, while others criticized its place on ITTC's agenda, where it has allegedly outweighed the trade advisory group.

THINGS TO LOOK FOR TODAY

COUNCIL SESSION: The Council will reconvene at 9.30 am in the Plenary Hall to consider, *inter alia*, the Work Programme for 2003, and matters related to Article 46 of the ITTA, 1994 on duration, extension and termination of the Agreement.

COMMITTEES SESSIONS: The CRF and CEM will meet from 14.30 pm to 17.00 pm in the Plenary Hall and the Committee Room, respectively. The CFI and the CFA will convene from 17.00 pm to 19.00 pm in the Plenary Hall and the Committee Room, respectively.

PRODUCER AND CONSUMER MEETINGS: The Producer Group will meet in the Plenary Hall and the Consumer Group in the Committee Room, both from 08.30 am to 9.30 am.