



## ITTC-34 HIGHLIGHTS MONDAY, 12 MAY 2003

Delegates to the 34th session of the International Tropical Timber Council and related Committee meetings (ITTC-34) convened in Council and Committee sessions. The Council heard opening statements, addressed organizational matters and considered the role of phased approaches to certification. A Joint Committee session was held to hear the report of the Expert Panel for Technical Appraisal of Project Proposals. The Committees on Economy and Market Intelligence (CEM) and on Forest Industry (CFI) convened jointly to review completed projects and pre-projects, and conduct *ex-post* evaluations. The Committee on Reforestation and Forest Management (CRF) reviewed completed projects and pre-projects.

### COUNCIL SESSION

**OPENING STATEMENTS:** ITTC-34 Chair Bin Che Yeom Freezailah (Malaysia) welcomed participants and expressed gratitude to Panama for hosting ITTC-34. Drawing attention to the upcoming negotiation of a successor agreement to the 1994 International Tropical Timber Agreement (ITTA, 1994), he noted the need for enhanced cooperation and international assistance, and stressed that environmental, social and economic dimensions must remain at the core of the negotiations. He called for balancing consumer and producer countries' obligations, noted the role of the Civil Society Advisory Group and Trade Advisory Group in enriching the process, and highlighted sensitive sovereignty issues.

Noting that effective implementation of the ITTA, 1994 is difficult, ITTO Executive Director Manoel Sobral presented the findings of regional workshops aimed at assisting developing producer countries to build sustainable trade and compete with temperate forest producers. He called for enhanced collaboration between the private sector and NGOs to develop criteria and indicators (C&I) for sustainable forest management (SFM). Sobral stressed the role of partnerships and recent meetings to increase market access for tropical timber.

Emile Doumba, Minister of Forest Economy, Water and Fisheries of Gabon, renewed Gabon's commitment to the sustainable management of tropical timber, highlighted a new forestry code to facilitate this objective, and expressed concern about illegal logging.

Satyadeow Sawh, Minister of Fisheries, Crops, Livestock and Forestry of Guyana, underscored the importance of using best practices in tropical timber production, and introduced the newly formed Guyana Forest Commission.

Jorge Viana, Governor of the State of Acre, Brazil, stressed the importance of SFM in the State of Acre and said that his government wanted to use Acre's forests to benefit the people of Brazil, while adhering to the objectives of SFM.

Ricardo Anguizola, National Environment Authority of Panama, drew attention to the reduced availability of forest goods and services resulting from deforestation and forest degradation. He noted that many forest inhabitants experience poverty, stressed that indigenous knowledge is being lost, and commended the ITTO for its work on mangrove forests.

Thanking the ITTO for the opportunity to host ITTC-34, Arturo Vallarino, First Vice-President of Panama, stressed the importance of conservation, management and sustainable development of forests and forest resources, and outlined Panama's recent policy work in this regard.

**ORGANIZATIONAL MATTERS:** Delegates adopted the meeting's agenda (ITTC(XXXIV)/1) without amendment. ITTO Executive Director Sobral announced that the quorum was reached for this session, and that no changes in membership had been registered since ITTC-33. Delegates adopted the proposed distribution of votes for 2003 and admitted all States and organizations seeking observer status.

**REPORTS:** ITTC-34 Chair Freezailah introduced the report of the Informal Advisory Group (IAG) (ITTC (XXXIV)/2), highlighting proposed ITTC-34 decisions. CANADA objected that these decisions had not been circulated prior to the Council session. Noting that the ITTA is in a transition period, Chair Freezailah and SWITZERLAND called for flexibility in this regard.

**PHASED APPROACHES TO CERTIFICATION:** Markku Simula, ITTO Consultant, presented the results of regional workshops on the potential role of phased approaches to certification in tropical timber producer countries as a tool to promote SFM. He stressed the need for phased approaches to address practical constraints to implementing certification, and noted the widespread interest in phased approaches to certification among all stakeholders. He suggested that ITTC: endorse the use of phased approaches; carry out a cost-benefit analysis of certification; raise awareness among governments on the merits of phased approaches; and provide support for regional initiatives, particularly in Africa and the Asia-Pacific region. Simula also recommended, *inter alia*, that governments, where appropriate, use incentives to promote the implementation of phased approaches and that the private sector recognize the potential of phased approaches and actively participate in developing voluntary standards. BRAZIL stressed that the legal requirements of phased approaches should be based on domestic legislation. JAPAN said that certification can play a role in combatting illegal logging and that mutual recognition of certification schemes is important. CANADA asked how a country's level of development would affect the role of government in implementing phased approaches. SWITZERLAND stressed the need for action to increase producer access to certification.

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## JOINT COMMITTEE SESSION

Patrick Hardcastle, Chair of the Expert Panel for Technical Appraisal of Project Proposals, presented the Expert Panel's report (CEM, CRF, CFI (XXXII)/1), highlighting, *inter alia*, poor problem analysis and translation into logical frameworks for action, missing background information, and the large number of project and pre-project proposals. Delegates did not discuss the report.

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

Fidel Reyes Lee (Guatemala) chaired the 32nd session of the CEM/CFI. Delegates adopted the meeting's agenda without amendment.

**COMPLETED PROJECTS AND PRE-PROJECTS:** Delegates heard reports on two completed pre-projects and one completed project (CEM, CFI (XXXII)/2).

Under CEM projects, the Secretariat outlined the completed pre-projects on the economic valuation of production forests and agroforestry system in the Peruvian Amazon and on assessing the feasibility of, and support for, a tropical timber promotion campaign.

Under CFI projects, BRAZIL outlined a completed project on information and technical assistance for production and trade of tropical timber in Brazil. The Secretariat took note of the projects and pre-projects and declared them complete.

**EX-POST EVALUATION:** On selecting projects for *ex-post* evaluation, delegates agreed to postpone consideration of the completed Brazilian project on information and technical assistance until the 33rd session of the CEM/CFI.

Peter Kanowski, Australian National University, presented the *ex-post* evaluation of a project on the utilization, collection and trade of tropical non-wood forest products in the Philippines (CEM, CFI (XXXII)/4). He said the project focused on providing local forest communities with information and technologies to promote their income and livelihood. He noted the project's successes, but called for enhanced development of partnerships and communication strategies, and better understanding of the ecological context, sustainability and market access. The Secretariat said similar projects were ongoing in South-East Asia and Latin America. The USA stressed the need to make information more readily available, preferably on the Internet.

The Secretariat noted the completion of *ex-post* evaluations on technology transfer and the commercialization of selected coconut utilization technologies in the Philippines, and on the utilization, collection and trade of tropical non-wood forest products, also in the Philippines.

The Secretariat also introduced a report on lessons learned from *ex-post* evaluation missions carried out by the CFI (CEM, CFI (XXXII)/5), and noted that the projects on training development on assessment of SFM in Indonesia and on the development and installation of a computer management system for the control of forest production in Gabon are eligible for *ex-post* evaluation.

## COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

Henri-Félix Maître (France) chaired the CRF session. The Secretariat presented a report on completed projects and pre-projects (CRF(XXXII)/3), noting that several projects were close to completion, but lacked submission of final audits, including projects on: the establishment of Rio Preto's national forest in Brazil; the management of natural forests in Malaysia; conservation and maintenance of biological diversity in tropical forests managed primarily for timber production in the Philippines; support for the development of a forestry and wildlife law in Peru; development and promotion of afforestation activities in Egypt;

management and utilization of paca in Peru; the establishment of a forestry sector *Draft Development Plan* for SFM in Cambodia; and, preparatory studies to install a continuous monitoring system for the sustainable management of Thailand's forest resources.

Ricardo Umali, Sustainable Ecosystems International, presented the work completed on the conservation and maintenance of biological diversity in tropical forests managed primarily for timber production in the Philippines, highlighting the project's rationale to harness the capacity of production forests to contribute to biodiversity conservation. He concluded that forest production and biodiversity conservation are compatible.

Pablo Mateus, CORMADERA, presented the results of a timber development project in Ecuador, outlining its objectives to develop a sustainable reforestation programme to rehabilitate degraded lands and to improve the socioeconomic conditions of rural populations. He described how: lands were identified for reforestation; export markets were determined; financing incentives and sales mechanisms for plantations were developed; training and information processes were established; and technical and financial feasibility studies to implement reforestation programmes were conducted. Mateus stressed the need to continue developing know-how. In the ensuing discussion, he outlined the need to study baselines before carbon sequestration projects may be commenced and the need for following up on projects to assess their impacts and results.

## IN THE CORRIDORS

Inspired by the spectacular view of Panama Bay, delegates wasted no time getting down to business, foreshadowing a relatively problem-free Council session. Indeed, some delegates noted that, as they prepare to negotiate a successor agreement to ITTA, 1994, ITTC-34 would probably not be the best time to bring new, potentially controversial issues onto the agenda. Some even hinted that ITTC-34 was not their main priority, but that they were more focused on the upcoming preparatory committee (PrepCom) negotiations. In this regard, one delegate opined that the successor agreement should address the socioeconomic aspects of the tropical timber trade, suggesting the PrepCom will not be free of controversy. Interestingly, one delegate noted that neither ITTC-34, nor the PrepCom were major priorities, but were networking opportunities for developing public-private partnerships.

## THINGS TO LOOK FOR TODAY

**ANNUAL MARKET DISCUSSION:** The Annual Market Discussion will be held from 9:30 am – 12.00 pm in the Miramar Ballroom.

**COUNCIL SESSION:** The Council will convene from 12:00 – 1:30 pm to consider partnerships for SFM, measures to improve project formulation and appraisal, preparations for negotiating a successor agreement to the ITTA, 1994, and matters related to Article 16 of the ITTA, 1994 regarding the ITTO Executive Director and staff.

**COMMITTEES:** The CRF will meet from 2:30 – 4:30 pm to continue its review of completed projects and pre-projects. The Committee on Finance and Administration will meet at the same time to review contributions to the administrative budgets for 1986-2003, the current status of the administrative account for 2003, and resources of the Special Account and Bali Partnership Fund. The CEM/CFI will convene from 4:30 – 7.00 pm to consider project and pre-project proposals.

**PRODUCER AND CONSUMER GROUPS:** The Producer and Consumer Groups will meet from 8.00 – 9.30 am.