



ITTC-34 HIGHLIGHTS THURSDAY, 15 MAY 2003

Delegates to ITTC-34 convened in Council session and producer and consumer caucuses. The Council considered CITES listing proposals, activities related to Objective 2000, and issues affecting market access for tropical timber. The producer and consumer groups discussed elements of draft decisions.

Editor's note: producer and consumer caucuses convened behind closed doors.

COUNCIL SESSION

CITES LISTING PROPOSALS: The Secretariat informed that no new listing proposals had been received from members.

OBJECTIVE 2000: Diagnostic mission in Guyana: Regarding reporting on assistance provided to producer countries to identify factors limiting progress towards achieving Objective 2000, Patrick Hardcastle, ITTO Consultant, summarized the outcomes of the diagnostic mission in Guyana (ITTC(XXXIV)/8). He reviewed Guyana's basic forestry statistics, highlighting limited timber production and challenges due to low soil fertility, high species diversity, difficult access, and the fragile ecology. Hardcastle noted that Guyana's high environmental service potential will be hard to commercialize, but that SFM is possible. He emphasized problems relating to: inefficient resource use; poor market understanding; destructive competitive behavior; limited investment in training; and inadequate management skills. He stressed the need for greater efficiency, specialization, training, low capital-based approaches, a greater emphasis on employment, improved communication and information, and government financing incentives. Hardcastle said the ITTO should, *inter alia*: support operator and managerial training initiatives; provide technical expertise on industry restructuring; give guidance on product design and specification; and support a local market information service.

GUYANA agreed with the findings and recommendations of the mission and commented that more work is needed in Guyana on: lesser-used species; reducing inefficiencies; improving access to markets; and managing mangrove forests. GHANA enquired

about Guyana's methods to control chainsaw logging. The TROPICAL FOREST FOUNDATION described a new partnership for training in Guyana.

Diagnostic mission in Trinidad and Tobago: Jeffrey Sayer, Centre for International Cooperation in Agricultural Research for Development, presented the findings of the diagnostic mission in Trinidad and Tobago (ITTC(XXXIV)/9). He described Trinidad and Tobago's forestry industry, past successes in forestry management, and new socioeconomic trends. Sayer outlined the mission's recommendations for: greater capacity building; better information generation and management; increased involvement of civil society; and greater private sector engagement. He encouraged the submission of an ITTC project proposal on capacity building and information management.

TRINIDAD AND TOBAGO endorsed the mission's recommendations, noted the value of submitting a project proposal, and recommended the Caribbean region as a venue for future workshops and meetings. MALAYSIA expressed interest in plantations and tools to make them successful. FRANCE commented on the difficulties in commercializing teak because of its high costs. GUATEMALA raised questions regarding ITTO's commitments after diagnostic missions are completed and the procedures involved to establish the missions.

National training workshops: Jürgen Blaser, Switzerland, reported on progress in the implementation of national training workshops on the use of ITTO formats for reporting on sustainable forest management (SFM), conducted under ITTO Decision 9(XXX). He explained that the decision calls for: organizing 10 national workshops to train officials, forest managers, forest concessionaires and others in using criteria and indicators (C&I) and C&I-based ITTO reporting formats at national and forest management-unit levels; rendering assistance for developing national-level reports on progress toward SFM; making recommendations for the revision of ITTO's reporting format and C&I; and preparing basic information for the publication of the ITTO's Status of Tropical Forest Management Report, to be published in 2004. He explained that the objectives of the workshops include: testing and using C&I as tools for sustainable management at the forest management-unit level; informing and training managers; exchanging experiences; and reviewing the pertinence of C&I at

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the forest management-unit level. He said that workshops have been held in Congo, Papua New Guinea, Côte d'Ivoire, Vanuatu, the Philippines, Cameroon and Colombia, and noted that Brazil, Peru, Ecuador, Bolivia, Panama, Myanmar and Togo have expressed interest in holding future workshops.

He highlighted that the workshops have increased field actors' awareness of the ITTO and drew attention to the need for harmonizing terminology. Blaser also noted that an Expert Panel meeting will convene in late 2003 to, *inter alia*: revise C&I; simplify the questionnaire for reporting; and link ITTO C&I, auditing, certification and harmonization with other C&I processes. GUATEMALA suggested that future workshops take into account the recommendations and conclusions of the Conference on C&I for SFM held in Guatemala City, Guatemala in February 2003. Highlighting its commitment to capacity-building activities, SWITZERLAND called for more national training workshops and encouraged countries to submit their national reports. Underscoring that members have frequently been reminded to submit their national reports, ITTO Executive Director Manoel Sobral noted that reports have been received from Colombia, Congo, Indonesia, Myanmar, Peru, Philippines, Thailand, Togo and Vanuatu, and urged other members to submit their reports using the approved reporting formats as soon as possible.

ISSUES AFFECTING MARKET ACCESS: The Secretariat outlined the recommendations of a report on issues affecting market access of tropical timber (ITTC(XXXIV)/10). He highlighted recommendations for ITTO and the international community regarding: improving data compilation and analysis; monitoring tariff and non-tariff barriers, including through studies on product standards and quality grading rules; researching trade impacts on SFM, and *vice versa*; addressing illegal harvesting and trade, through, *inter alia*, participating in the Forest Law Enforcement and Governance process, and developing international principles and mechanisms; certification, including encouraging the development of national C&I in producing member countries; and filling gaps in market access knowledge, including through further research on tropical timber substitutes. He said producing countries should, *inter alia*, review and align domestic barriers and impediments to export trade, and implement C&I for SFM. He noted that recommendations for consuming countries included: harmonizing the use of terms such as "legality" and "sustainability" of origin, and coordinating specification requirements; collecting information on market barriers and impediments to tropical timber in importing countries; and coordinating legislation and implementation of public procurement of tropical timber.

GHANA supported extending coverage of species-specific data on production and trade, monitoring tariff and non-tariff barriers, improving linkages with the World Trade Organization (WTO), and addressing illegal harvesting and trade by providing resources and assistance to develop producer countries' capacities. CANADA opposed equating low rent capture in tropical forest concessions to subsidies, and requested that references to the pending US/Canada WTO dispute on the countervailing duty to compensate forestry subsidies be deleted. MALAYSIA stressed the

need for ITTO involvement in the WTO process and negotiations, and called for: removing subsidies; encouraging the development of training programmes; and discussing SFM beyond the ITTO process. The US encouraged ITTO to follow up on information received concerning the WTO process and clearly identifying responsibilities. The EUROPEAN COMMUNITY underscored the clear separation of jurisdiction between ITTO and the WTO, and the need for ITTO to adapt to trade rules. COLOMBIA stressed the need to identify and use quality standards.

IN THE CORRIDORS

In the lead-up to the tabling of draft decisions for ITTC-34, differences disrupted the apparent peace and consensus evidenced so far. Closed-door negotiations in consumer and producer caucuses on elements for draft decisions were reported to have been unexpectedly contentious. While the Chairperson's Open-Ended Drafting Group meeting was postponed until Friday, discussions in caucuses continued in the evening. Some delegates speculated that factions were forming in view of next week's negotiations on the successor agreement to ITTA, 1994.

Reflecting on the morning's market access discussion, conflicting views were heard. One delegate opined that consumer countries should use more demand-side strategies to change market trends. Others said that producer countries are more powerful than is often assumed when it comes to shifting buyer preferences. At the end of the day, some delegates commented that the safest place to be for the afternoon was the Canal Zone.

THINGS TO LOOK FOR TODAY

COUNCIL SESSION: The Council will convene from 8:00-9:00 am to consider SFM in the Congo Basin, progress in implementing the 2003 work programme, and the 2002 annual report.

PRODUCER AND CONSUMER GROUPS: The Producer and Consumer Groups will convene from 9:00-10:30 am.

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT: The CRF will meet from 4:30-5:30 pm to address outstanding matters and adopt its report.

COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE AND COMMITTEE ON FOREST INDUSTRY: The CEM/CFI will convene from 4:30-5:30 am to consider its report.

COMMITTEE ON FINANCE AND ADMINISTRATION: The CFA will meet from 5:30-6:30 am to adopt its report.

DRAFTING GROUP: The Chairperson's Open-Ended Drafting Group will convene from 10:30 am-1:00 pm, and from 2:30-4:30 pm.

CHAIRPERSON'S CONSULTATION WITH DONORS ON PROJECT FINANCING: This consultation will be held from 6:30-7:30 pm.

PANEL ON SUB-ACCOUNT B OF THE BALI PARTNERSHIP FUND: The Panel will meet from 7:30-8:30 pm.