



## ITTC-34 HIGHLIGHTS FRIDAY, 16 MAY 2003

Delegates to ITTC-34 convened in Council, drafting group, and committee sessions. The Council addressed sustainable forest management (SFM) in the Congo Basin. The Chairperson's Open-Ended Drafting Group discussed draft decisions on, *inter alia*: negotiations for a successor agreement to the International Tropical Timber Agreement (ITTA, 1994); criteria and indicators (C&I) for SFM; the expansion and diversification of international trade in tropical timber; and certification. The Committee on Reforestation and Forest Management (CRF) and the Committee on Finance and Administration (CFA) considered their reports. The Committees on Economic Information and Market Intelligence (CEM) and on Forest Industry (CFI) convened jointly to address other matters and consider their report.

### COUNCIL SESSION

**SFM IN THE CONGO BASIN:** Jeffrey Sayer, Centre for International Cooperation in Agricultural Research for Development, presented the report of the Workshop to Develop a Regional Applied Research Programme Focusing on Social, Economic, and Environmental Aspects of Tropical Forest Management (ITTC(XXXIV)/11). He noted that: researchers in the Congo Basin were constrained by troublesome working conditions; research is driven by external interests, not local needs; and the research publication rate in the region is relatively low. He also summarized the results of a concessionaire survey, saying that newer concessions are often vertically integrated and export to Asia, whereas older concessions are less integrated and export to Europe. He expressed the need for continued research in this area and for improved forest research capacity in the Congo Basin.

GABON noted that insufficient research was due to a lack of resources and unfavorable working conditions. CAMEROON said there are many capable, albeit under-funded, researchers in the region. FRANCE noted that it has been, and will continue to be, involved in research activities in the region and urged others to provide long-term research funding. The US noted that the Congo Basin Forest Partnership (CBFP) establishes a platform to deal with these issues at the regional and national levels, and that ITTO has been integral in enabling the CBFP.

The Secretariat presented the report of the Training Workshop for Trainers in Forest Management (ITTC(XXXIV)/11), explaining that the workshop's main objectives were to: review and analyze current challenges in SFM and forest concession management (FCM); enhance understanding of SFM and FCM principles and concepts; identify concession managers' responsibilities to integrate social and environmental aspects of SFM; and define actions to improve SFM training standards in forestry training institutes.

Noting the weakness of current SFM training, CAMEROON stressed the need for an improved curriculum at forestry schools and for improved linkages with ministries and universities. GABON underscored the importance of training forest managers.

The Food and Agriculture Organization (FAO) outlined joint SFM initiatives between FAO and ITTO regarding the adoption of C&I at regional and country levels. He stressed the importance of facilitating global forest assessments, harmonizing forest-related definitions, and streamlining data collection on forests. Highlighting regional workshops organized jointly to enhance countries' data collection, processing and reporting capacities, he stressed FAO's commitment to cooperate with ITTO on, *inter alia*, research, training, policy, and legislation.

The United Nations Forum on Forests (UNFF) highlighted its commitment to the Collaborative Partnership on Forests (CPF) and commended the ITTO for its active role in the Partnership, drawing attention to the ITTO's support to country-led initiatives, and input regarding trade aspects of maintaining forest cover, health and productivity. He stressed the importance of information sharing and using lessons learned to enhance the decision-making process, and noted UNFF's mandate related to the legal framework of forest management.

ITTC-34 Vice-Chair Jan McAlpine (US) said the ITTO's involvement in the International Partnership on Forests and the International Forum on Forests played a significant role in establishing ITTO as a pre-eminent trade and timber product organization. She encouraged member countries to support the bridge-building process among international forest institutions and mechanisms.

### CHAIRPERSON'S DRAFTING GROUP

**MATTERS RELATED TO ARTICLE 16 OF ITTA, 1994:** Regarding the draft decision on matters related to Article 16 of the ITTA, 1994 (2(XXXIV)), delegates agreed to "renew", instead of "extend", ITTO Executive Director Sobral's mandate to November 2007, instead of November 2006.

**NEGOTIATIONS OF A SUCCESSOR AGREEMENT TO THE ITTA, 1994:** Regarding the draft decision on negotiating a successor agreement to the ITTA, 1994 (ITTC(XXXIV)/4), delegates proposed amendments to a paragraph requesting the Executive Director to engage consultants to prepare a background paper to summarize experiences, possibilities and constraints of environmental service payments for the purpose of informing the Council and the Preparatory Committee. A producer country proposed that the background paper summarizing experiences of implementation of the current ITTA. A group of consumer countries proposed that the paper take stock of all studies available regarding internationally-traded and potentially tradable environmental services. A consumer country expressed skepticism about the usefulness of holding an intersessional meeting between the first two PrepComs. After convening a small group, delegates agreed on a revised draft,



which incorporated: the proposed reference to internationally-traded and potentially tradable environmental services; clarification that, in case of shortfall, funds from the Working Capital Account may only be used to finance negotiations, not the mandated studies; a new annex including terms of reference (ToR) for the environmental services study; and a request to the Executive Director to engage consultants to prepare a background paper summarizing experiences in implementing ITTA, 1994. Regarding the ToR, delegates agreed to add reference to "environmental" goods and services flowing from forests, delete reference to the scale of internalization of services, and add reference to global biodiversity benefits, including in relation to tropical timber producing forests.

**CRITERIA AND INDICATORS FOR SFM:** Regarding a draft decision on C&I for SFM (ITTC(XXXIV)/5), the consumer group suggested, and delegates agreed, to add a paragraph requesting the ITTO Secretariat to prepare a document collating the outcomes from workshops, including comments from member countries, as well as relevant recommendations from the international expert meeting on C&I, which is called for under the decision.

**COOPERATION BETWEEN ITTO AND CITES ON MAHOGANY:** Regarding a draft decision on the cooperation between ITTO and CITES on broad-leaf mahogany (ITTC(XXXIV)/6), the producer group stressed the importance of scientific information when reviewing the listing of mahogany in CITES Appendix II, and called for a request to the ITTO Executive Director to offer to the CITES Secretariat "a joint process of scientific and technical research." Many delegates cautioned against broadening the decision beyond the ITTO's mandate and objectives, with one country stressing that CITES itself has considerable technical expertise and financial resources. After consultations in a small drafting group, delegates agreed to emphasize collaboration with the CITES Secretariat through technical, scientific and financial cooperation.

**EXPANSION AND DIVERSIFICATION OF INTERNATIONAL TRADE IN TROPICAL TIMBER:** Regarding a draft decision on measures to promote the expansion and diversification of international trade in tropical timber (ITTC(XXXIV)/7), a consumer country recommended the inclusion of "technical regulations" as a topic for review in the proposed study on measures. Another consumer country urged the addition of a preambular paragraph noting the connection between product standards and market access. A producer country representative supported a comprehensive study, and another insisted on retaining specific reference to the impact of regulations on trade in panel products. Producer countries requested, and consumer countries opposed, inclusion in the study of a review of tariffs and of regional trade agreements. One consumer country noted that the decision was intended to respond to market access concerns, and that the proposed study must be reasonable, focused, manageable, achievable, and focused on the concerns raised during the Council's discussion. He stated that the inclusion of regional trade agreements would considerably increase the study's ambit and cost. Negotiations continued into the night.

**PROJECT FORMULATION AND APPRAISAL:** Regarding a draft decision on measures to improve project formulation and appraisal (ITTC(XXXIV)/8), a consumer country suggested broadening the scope of the review, and to include a timetable and priority actions for introducing changes. After consultations in a small group, delegates reached consensus on expanding the scope to include cost efficiency when implementing the recommendations.

**CERTIFICATION:** Regarding a draft decision on phased approaches to certification (ITTC(XXXIV)/11), one consumer country expressed concern about preambular wording, which he felt inferred Council support for certification. Producer countries recommended the inclusion of deadlines for consultants to present their work on procedures for phased approaches and on evaluation

of the costs and benefits. They also called for a deadline for the Executive Director to report on a workshop on phased approaches. Producer countries recommended deleting a paragraph that encouraged the promotion of projects related to phased approaches. Negotiations continued into the night.

**OTHER DRAFT DECISIONS:** Delegates approved, with minor edits, draft decisions on: the management of the administrative budget (ITTC(XXXIV)/1); strengthening the Asia Forest Partnership (ITTC(XXXIV)/3); the management of project implementation (ITTC(XXXIV)/9); and the biennial work programme and administrative budget (ITTC(XXXIV)/10).

## COMMITTEES

**COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT:** CRF Chair Henri-Félix Maître (France) introduced, and delegates approved with minor amendments, the CRF's report.

**COMMITTEE ON ECONOMIC INTELLIGENCE AND MARKET INFORMATION AND COMMITTEE ON FOREST INDUSTRY:** Under other matters, the US noted a lack of available information on potential forest-related trade activities, and suggested that the Secretariat provide the relevant information on the ITTO website.

The Secretariat introduced the joint CEM/CFI draft report (CEM,CFI (XXXII)/10). Regarding the CFI's recommendation to Council on work directed at technical and environmental standards and international standards activities in the field of forest industry, the US noted a large overlap between these activities and several proposed projects, and suggested that a decision on the corresponding draft proposal be deferred until the ToR of these activities are fully defined. Delegates agreed to delete the relevant paragraph, and approved the report.

**COMMITTEE ON FINANCE AND ADMINISTRATION:** CFA Chair Pravit Chittachumnonk (Thailand) introduced, and delegates approved with minor amendments, the CFA's report (CFA(XIII)/7).

## IN THE CORRIDORS

After delays on Thursday in getting the drafting group underway, progress was made today in finalizing decisions. As little posturing and a generally cooperative focus on getting the work done was noticeable, one delegate suggested that many of the proposed amendments were now intended to get ITTC-34 decisions in line with positions anticipated for next week's PrepCom. In this respect, some thought that emerging issues of relevance to the ITTO, including environmental services, may prove to be thorny topics at the PrepCom.

Delegates were hoping that late night discussions on draft decisions, including certification, would allow for a smooth closing Council session and a relatively long weekend to enjoy Panama City's tropical forest environs. Overall, many seemed pleased with the quality of the projects approved at ITTC-34, and anxious to move on to more substantive discussions next week, which will shape the future direction of the ITTA.

## THINGS TO LOOK FOR TODAY

**COUNCIL SESSION:** The closing session of the Council will convene at 10:00 am to, *inter alia*, consider reports from the Committees, the ITTO Fellowship Programme, and the Special Account and Bali Partnership Fund, and to adopt the Council's decisions.

**PRODUCER AND CONSUMER GROUPS:** The Consumer and Producer groups will meet from 9:00-10:00 am.

**ENB SUMMARY REPORT OF ITTC-34:** The *Earth Negotiations Bulletin* report, containing a summary and analysis of the meeting, will be available on Tuesday, 20 May, online at <http://www.iisd.ca/forestry/itto/ittc34/>, and in hard copy for delegates to the First Meeting of the Preparatory Committee for Negotiating a Successor Agreement to the ITTA, 1994.