



PREPCOM I HIGHLIGHTS TUESDAY, 20 MAY 2003

Delegates to the First Meeting of the Preparatory Committee (PrepCom I) for the negotiation of the Successor Agreement to the 1994 International Tropical Timber Agreement (ITTA, 1994) convened in Plenary and working groups. The Plenary heard opening statements, addressed organizational matters, and considered the scope and substantive issues of the successor agreement. Working Group I (WG-I) discussed updating the preamble and objectives of the ITTA, 1994, while Working Group II (WG-II) addressed expanding the scope of the ITTA, 1994. In the afternoon, a brief Plenary convened to hear reports from the working groups.

PLENARY SESSION

OPENING: PrepCom Chair Jürgen Blaser (Switzerland) thanked Panama for hosting the meeting, welcomed delegates, and thanked those countries that responded to the pre-negotiation survey. He noted that all countries must take responsibility for the outcome of the negotiations. He also said PrepCom I should constitute an exchange of views and provide a basis for further negotiations, emphasizing the importance of discussing the scope of the new agreement.

The PrepCom then admitted observers, and adopted the agenda and organization of work (ITTA/3/PrepCom(I)/1 and Info.3). Chair Blaser drew attention to a document on forest-related definitions (ITTA/3/PrepCom(I)/Info.1), noting that it is a background document, not a negotiating text.

Jean Solo (Cameroon), Producer Caucus Spokesperson, said PrepCom I should focus on clarifying and organizing views. He underscored the need to take into account emerging issues and countries' technical capacities, and address the ITTA, 1994's deficiencies regarding financing. Aulikki Kaupila (Finland), Consumer Caucus Spokesperson, stressed the need for overarching objectives that take into account new and emerging issues. She said the International Tropical Timber Organization (ITTO) should not conflict with the work of other organizations.

SCOPE AND SUBSTANTIVE ISSUES: SWITZERLAND, NEW ZEALAND, GABON and GHANA said the ITTA, 1994 provides a good basis for the renegotiations. The PHILIPPINES and NORWAY stressed the need for a holistic approach, with the PHILIPPINES noting the need for a dynamic instrument that would address criteria and indicators (C&I), phased approaches to certification, and environmental services. COLOMBIA stressed the need for an integrated approach, incorporating environmental, social, and economic factors. She suggested the agreement's name be changed to reflect the true breadth of its scope.

SWITZERLAND and INDONESIA said the new agreement should take into account new issues, including certification, illegal logging, forest law enforcement and governance (FLEG), and environmental services. SWITZERLAND proposed that the new agreement should not be limited to non-coniferous trees. INDONESIA emphasized the relationship between SFM, poverty alleviation and rural livelihoods and said market access provisions should be included in the new agreement. NORWAY said the new agreement must take stock of new and emerging environmental and social issues and follow up on the World Summit on Sustainable Development's (WSSD) commitments, particularly in regard to poverty alleviation and good governance. The US stressed the need for a broader funding base for the ITTO, and said the successor agreement must be focused.

MALAYSIA emphasized that Objective 2000 is still relevant. He cautioned against overburdening and paralyzing the Organization or diluting the ITTA, 1994's objectives. NEW ZEALAND said the new agreement should focus on all timber within the tropics, and recommended establishing overarching objectives for the new agreement, noting that further details can be included in an Annex or as part of the work programme or action plan. NEW ZEALAND, the EUROPEAN COMMUNITY (EC) and BRAZIL said the ITTO should strengthen cooperation with other relevant international organizations. The EC stressed the need to maintain the objectives of the ITTA, 1994, underscoring the need to focus on tropical forests. He encouraged greater involvement of the private sector in the renegotiation process.

Regarding environmental services, the EC suggested waiting for the outcomes of discussions in other fora, including the World Trade Organization (WTO). The REPUBLIC OF KOREA proposed inclusion of other forest products, such as pulp and paper, within the new agreement's scope and, with MALAYSIA, emphasized that SFM should be the ultimate objective. BRAZIL said the new agreement should focus on tropical timber, and called for a broader financial structure. GABON, with GHANA, said the new agreement should address environmental services and the concerns of forest dwellers. CHINA stated that, as a commodity agreement, the new agreement should be action oriented and not a political forum. Noting the ITTO's inefficiencies, CHINA said the Organization needs additional resources and recommended that ITTC and committee meetings' duration be reduced and financing also come from private and civil society sources. JAPAN said non-forest timber products and environmental services are potentially tradable and recommended that the new agreement take account of the multifunctionality of forests. He stressed the importance of part-

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nerships, certification and combating illegal logging. GHANA underscored that the new agreement should cover tropical, boreal and temperate forests and that capacity building should aim at SFM and FLEG. He said certification would promote, not impede, market access. SURINAME emphasized that tropical forests provide global environmental services and suggested involving the Global Environmental Facility in the financial arrangements. He said the ITTC could meet annually if there was an interim body to approve projects.

PrepCom Chair Blaser then invited comments from observers. IUCN, on behalf of the Civil Society Advisory Group, said the successor agreement should adopt an ecosystem approach, respect trends in community land tenure, and recognize different certification schemes without endorsing any one specifically. The ASSOCIATION OF INDONESIAN FOREST CONCESSION HOLDERS said the new agreement should provide for private sector participation in Council sessions, stressed the need for incentives to adhere to phased approaches to certification, and cautioned against the time-bound adoption of certification schemes. MEXICO noted it was in the process of becoming an ITTO member and would actively contribute to discussions once its membership is formalized. UNCTAD clarified that, if member States so desire, the duration and name of the agreement can be changed.

Summarizing countries' views, Carlos Antonio da Rocha Paranhos (Brazil), Vice-Chair of the PrepCom, highlighted widespread agreement on using the ITTA, 1994 as a starting point for the renegotiations, but noted diverging views on whether to expand the agreement's scope or not. He drew attention to a range of views on important issues, including the duration of the agreement, whether to change the agreement's name, and whether to concentrate exclusively on tropical timber, or include non-timber forest products and environmental services.

WORKING GROUP I

PrepCom Vice-Chair da Rocha Paranhos chaired WG-I on updating the preamble and objectives of the ITTA, 1994.

The US expressed caution about expanding the scope of the agreement and said new and emerging issues could be included in the preamble. Many countries supported preambular references to relevant international developments, instruments and fora, such as the WSSD, the WTO Doha Round, the UN Convention to Combat Desertification, the Conference on Financing for Sustainable Development, and the Millennium Development Goals. NEW ZEALAND suggested references to, *inter alia*, SFM, certification, and C&I. GABON, PERU and JAPAN suggested updating the commitment to achieve SFM by 2000 as the date has already passed, and the US said Council decided to retain the "Objective 2000" commitment. VENEZUELA, supported by PERU and opposed by JAPAN, said the preamble should not only recognize the importance of timber to economies with timber-producing forests, but also the sources of timber and forest values. JAPAN said preambular modifications should be minimal.

TRINIDAD AND TOBAGO, supported by NEW ZEALAND, suggested adopting three or four overarching goals to guide ITTO, with NEW ZEALAND recommending a flexible mission statement. NORWAY said a mission statement should precede the preamble. TOGO suggested five sets of objectives related to: expansion; SFM; international cooperation; development and funding mechanisms; and emerging issues. The US cautioned against a long list of objectives and enquired about delegates'

understandings of the difference between updating the objectives and expanding the scope of the agreement. The EC said updating involves enlarging the scope. CÔTE D'IVOIRE recommended assessing achievements for each objective before deciding on their maintenance or improvement. The US agreed that overarching objectives could encompass new and emerging issues. The EC supported the adoption of overarching objectives and specific detailed objectives, possibly included in an annex. While JAPAN and TRINIDAD AND TOBAGO supported reflecting new and emerging issues, the EC said these should be clearly separated from the objectives. The EC stressed the importance of retaining the objective that the ITTA provide an effective framework for international cooperation with regard to all aspects of the world timber economy.

WORKING GROUP II

PrepCom Chair Blaser chaired WG-II and invited delegates to consider what an expanded scope could entail. AUSTRALIA said new issues, such as genetically modified organisms, do not constitute an expanded scope, whereas including forests other than tropical forests does. He stated that where "timber" appears in the text, environmental services could be added and that local communities could be included in the preamble. The US said examples of updating the agreement could include preambular reference to the WSSD or market access. INDONESIA proposed that new issues be dealt with in the objectives. COLOMBIA suggested incorporating an ecosystem approach. The PHILIPPINES and GABON said reference to environmental services and the ecosystem approach could be located in the objectives.

IN THE CORRIDORS

Initial fears that delegates had lost track of their mandate and would engage in drafting, rather than context setting, were allayed by a sense of optimism later in the day. One delegate was frustrated that countries were simply listing issues for consideration with scant regard for how these might be addressed. Others were unsure whether the open exchange of views was sincere or was simply an effort to test the waters. One delegate noted that the expansion-revision exercise in the working groups was fruitful to the extent that it initiated discussion and provided a glimpse into earlier Caucas discussions.

THINGS TO LOOK FOR TODAY

PLENARY: Plenary will convene from 11:15 am-12:30 pm to continue considering the scope of the new agreement, and from 4:45-6:30 pm to summarize views, identify necessary intersessional work, and close the meeting.

WORKING GROUPS: WG-I and WG-II will reconvene from 9:15-11:15 am and from 3:15-4:45 pm to continue their discussions. Another Working Group will convene from 1:00-2:00 pm to prepare the terms of reference for the study of experiences in implementing the ITTA, 1994.

PRODUCER AND CONSUMER CAUCUSES: The Producer and Consumer Caucuses will meet from 2:00-3:00 pm.

COORDINATION GROUP: The Coordination Group will meet from 6:30-7:00 pm.

ENB SUMMARY REPORT: The *Earth Negotiations Bulletin* report, containing a summary and analysis of PrepCom I, will be available online on Friday, 23 May at <http://www.iisd.ca/forestry/itto/prepcom1/>