



## ITTC-35 HIGHLIGHTS: MONDAY, 3 NOVEMBER 2003

On Monday, delegates to the 35th Session of the International Tropical Timber Council and related committee meetings (ITTC-35) convened in both Council and Committee sessions. In the morning, Council heard opening statements, addressed organizational matters, and discussed the report of the 13th meeting of the Informal Advisory Group (IAG). In the afternoon, a Joint Committee session was held to hear the report of the Expert Panel for Technical Appraisal of Project Proposals. The Committees on Economic Information and Market Intelligence (CEM) and on Forest Industry (CFI) convened jointly to review completed projects and pre-projects and to consider lessons learned on *ex-post* evaluations. The Committee on Reforestation and Forest Management (CRF) met to review completed projects.

### COUNCIL SESSION

**OPENING STATEMENTS:** ITTC-35 Chair Bin Che Freezailah (Malaysia) opened the session, noting the high level of political attention given to issues facing the International Tropical Timber Organization (ITTO). He highlighted that the total area of tropical forests worldwide is small when compared to temperate and boreal forests, and that illegal logging continues to threaten the world's forests. Chair Freezailah also said that the cooperation of civil society, governments, and others would help ITTO 'reinvent itself' and facilitate tropical forest management. Chair Freezailah then acknowledged, and delegates applauded, Nigeria's recent accession to ITTO.

Manoel Sobral Filho, ITTO Executive Director, said the progress report on the implementation of the 1994 International Tropical Timber Agreement (ITTA, 1994) could help governments during the renegotiation process. He said members, when renegotiating the ITTA, 1994, should take into consideration the changing nature of the forest debate, which, over the next few decades, may provide a new vision and process for addressing tropical forest issues. Sobral emphasized the importance of issues not on the agenda for ITTC-35, including phased approaches to certification, public-private partnerships, and cooperation with other international organizations. He also stressed the importance of member state accession to the ITTA, 1994 and the successor agreement, and the need for existing members to meet their financial obligations if the successor agreement is to be successful.

Keiji Ide, Ministry of Foreign Affairs, Japan, outlined his country's contribution to tropical timber issues, including information exchange, policy guidelines, project implementation and project financing. He noted a Japanese-Indonesian initiative on combating illegal logging and Japan's contribution to the Asia Forest Partnership to promote sustainable development in Asia.

Stating that the ITTA, 1994 is balanced and reflects ITTO priorities, he said that emerging issues and civil society participation should be reflected in the successor agreement.

Mamoru Ishihara, Director-General of Japan's Forestry Agency, noted that two-thirds of Japan's landmass is forested, most of which has been affected by natural disasters. Explaining Japan's commitment to sustainable forest management (SFM), he underscored Japan's effort to introduce labeling and certification requirements and tackle illegal logging and harvesting on a global scale.

Adou Assoa, Minister of Water and Forests, Côte d'Ivoire, noted his country's progress in implementing the ITTO Objective 2000 and explained Côte d'Ivoire's new forestry policy and partnerships with non-governmental organizations and the private sector. Noting that primary forests are disappearing and that the management of secondary forests requires new financing mechanisms, he expressed hope that ITTO will be able to address these concerns.

Muhammad Prakosa, Minister of Forestry, Indonesia, underlined the importance of SFM, noting the need for cooperation between both producer and consumer states in addressing illegal logging and trade issues. Describing Malaysia's importation of illegal logs from Indonesia and the need for consumer states to ban trade in illegal timber, Prakosa called for consistent standards and international cooperation.

Patrick Praitch, Minister of Forests, Papua New Guinea, emphasized his country's active participation in the ITTO process and supported broadening the scope of the ITTA, 1994 by promoting a holistic approach and moving the organization beyond its current status as a commodity organization. Praitch outlined Papua New Guinea's position for the re-negotiation of ITTA, 1994, noting the need to improve information exchange, access to new resources, and access to the global timber market. Applauding ITTO support for SFM in Papua New Guinea, he described two recently submitted project proposals and presented his country's offer to host ITTC-40.

Elisea Gozun, Secretary of the Department of Environment and Natural Resources, Philippines, reaffirmed her country's commitment to the ITTO Objective 2000 and identified national policy priorities, including: the implementation of a new forest policy code; the adoption of a system of criteria and indicators (C&I) for SFM; the strengthening of local community forest management; the expansion of plantations; the creation of a better enabling environment for policy; increasing the sustainability of forest-based investment; and the dissemination of resource information.

Hosny al-Lakany, Food and Agriculture Organization (FAO), commended the policy achievements of ITTO and underscored the value of continuing collaboration between FAO and ITTO. He also highlighted FAO's ongoing efforts to develop guidelines for forest



law enforcement, provide reliable and timely information on forest management, cooperate with ITTO in developing C&I for SFM, and strengthen the interface between economic and environmental considerations.

Following the opening statements, MALAYSIA stressed that illegal logging should be addressed domestically by producer countries, advocated rural-based approaches and multi-level cooperation, and gave examples of actions it has undertaken to combat illegal logging.

**ORGANIZATIONAL MATTERS:** ITTO Executive Director Sobral said that the quorum for ITTC-35 had been met. Delegates adopted the provisional agenda and organization of work without comment. Sobral highlighted Nigeria's accession, noting that ITTO membership currently stands at 58 and is comprised of 26 producers and 32 consumers. Delegates approved the proposed distribution of votes specified in the provisional agenda (ITTC(XXXV)/1) and admitted all organizations seeking observer status.

**REPORTS:** Chair Freezailah presented the report of the IAG (ITTC(XXXV)/2), highlighting: the report of the Inter-sessional Working Group on preparations for negotiating a successor agreement; proposals to amend the Council decision-making process; and draft decisions received from member states and the ITTO Secretariat. He said the IAG identified potential difficulties arising in the negotiations, including the use of the term environmental services, the distribution of votes of African members, and the use of new, undefined terminology.

GUATEMALA cautioned against the exclusion of tropical coniferous forests from ITTO discussions. PAPUA NEW GUINEA noted that conifers comprise a significant portion of the resource base of some countries. SWITZERLAND highlighted its proposal to include in the biennial work programme a panel discussion enhancing closer collaboration between the TAG and the CSAG. Chair Freezailah said possibilities for new initiatives are limited due to budgetary constraints. Commenting on the paragraph in the IAG report pertaining to environmental services, SWITZERLAND said that, by expressing its view on the scope of the successor agreement, the IAG had overstepped its mandate. He suggested deleting the entire paragraph from the report. ECUADOR said the IAG is an advisory body, and recommended that the IAG report indicate that any broadening of the ITTA, 1994 should be carefully studied. The US said that the paragraph did not reflect the IAG discussion, and suggested rewording the paragraph. Several IAG members responded that this was not the time to negotiate the substance of the IAG report. Chair Freezailah said the issue would be dealt with during the Second Session of the Preparatory Committee, and said the report was only a guidance document and should be either approved or rejected as currently drafted.

#### **JOINT COMMITTEE SESSION**

Joint Committee Chair Henri-Félix Maître (France) introduced Patrick Hardcastle, who presented the report of the Expert Panel for the Technical Appraisal of Project Proposals (CEM,CRF,CFI(XXXIII)/1). He said that many of the projects and pre-projects considered in the report contained weakly framed indicators and poor problem analysis, and lacked background information. He noted that the ITTO project cycle requires an overhaul.

The US stated that the Panel's recommendations are not being considered in project implementation. PAPUA NEW GUINEA noted that many good proposals are being rejected because they do not meet government requirements. SWITZERLAND highlighted the need for mid-term evaluations of phased projects. BRAZIL noted its new multi-stakeholder framework for improving project formulation.

The Secretariat outlined possible measures to improve dissemination and information exchange mechanisms between projects (CEM,CRF,CFI(XXXIII)/2). The Secretariat also reviewed a

proposal to establish a working group on lessons learned from *ex-post* evaluations to improve the design and implementation of projects. BRAZIL, SWITZERLAND, GABON, the PHILIPPINES, the NETHERLANDS and the US volunteered to develop terms of reference for the working group.

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

Chair Gilbert Kaya opened the CEM/CFI agenda with a report on completed projects and pre-projects. Presentations were made on the following completed projects: the development and establishment of an educational programme in Ghana to inform the wood products distribution chain on the value of using tropical timbers from all ITTO member countries; the development and extension of the preservation technology of tropical plantation timber in China; an ITTO study to identify measures to bring increased transparency to tropical hardwood plywood trade and analyze the causes of market fluctuations and price instability; and a global project for the review of international wooden furniture markets. The Secretariat discussed lessons learned from previous *ex-post* evaluations, and indicated that these include the need for an effective steering committee, strong government support and cooperation among all stakeholders. The issues included substantial project delays and frequent personnel changes. The Secretariat noted the funding limitations for follow-ups and evaluations.

#### **COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT**

The CRF heard presentations on completed projects on, *inter alia*: the sustainable management of Togo's Missahoe forest; the optimal utilization of RADARSAT-SAR data to monitor forest resources change; strengthening the East New Britain balsa industry in Papua New Guinea; and the Bulungan research forest in Indonesia.

The Secretariat and country representatives commented on the financial audit status of completed projects, noting that final financial audit for the majority of projects was still pending.

#### **IN THE CORRIDORS**

Early in the day, many delegates were concerned that ITTC-35 would be marred by the absence of the Producer Group's chair and vice-chair. These concerns were soon allayed, however, after the Producer Group appointed new representatives. Regarding the budget, some participants expressed concern over ITTO's heavy reliance on voluntary funding, and noted that developed countries need to contribute more to the regular budget.

#### **THINGS TO LOOK FOR TODAY**

**CAUCUS MEETINGS:** The Producer and Consumer Groups are scheduled to convene from 9:00-10:00 am in the Plenary Hall and the Committee Room, respectively.

**COUNCIL SESSION:** Council will convene in the Plenary Hall from 10:00 am - 2:00 pm to consider: the report of the Expert Panel on Management of Project Implementation; ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests; the promotion of SFM in the Congo Basin; and the ITTO Work Programme for 2003 and the Draft Biennial Work Programme for 2004-2005.

**SIDE EVENT:** A side event on innovative wood drying technology will be presented by the United Nations Industrial Development Organization - Tokyo from 12:00-12:30 pm.

**COMMITTEE SESSIONS:** The CRF will meet from 2:00-5:00 pm. The CEM/CFI will convene jointly from 2:00-6:30 pm, and the Committee on Finance and Administration will meet from 5:00-7:00 pm.