

ITTA, 1994 RENEGOTIATION HIGHLIGHTS: WEDNESDAY, 25 JANUARY 2006

The UN Conference on the Negotiation of the Successor Agreement to the International Tropical Timber Agreement, 1994 (ITTA, 1994), Fourth Part went into the evening as delegates wrangled over outstanding aspects of the text. While Working Group I (WGI) achieved some progress in the morning, Working Group II contact groups met during the day to discuss articles on finance and Entry Into Force. In the evening a number of delegates met with President Paranhos and managed to clean more text, but remained entrenched over the EC's membership, ratification, assessments and votes.

WORKING GROUP I

OBJECTIVES: On enhancing capacity of "Producer" members to achieve the Agreement's Objectives, EGYPT urged deleting the term "Producer" as this would unnecessarily preclude consumer developing countries from benefiting from this clause. BRAZIL, for Producers, requested retention of all brackets in this paragraph, noting that it had been broadened and that terms such as "legally harvested," "sustainable forest management," and "greater transparency" have been repeated frequently. The US noted that a group was negotiating this Objective and suggested postponing discussion.

On encouraging information sharing on transparent and voluntary market mechanisms such as certification, SURINAME reported that the informal contact group had not been able to reconcile Producer and Consumer positions. Chair Attah noted that reference to certification had been deleted with the understanding that it would appear in Statistics, Studies and Information. NORWAY requested time to consult with her capital. SURINAME asked what "other transparent mechanisms" refers to besides certification. Chair Attah clarified

that it might include such things as governance and enforcement, but opposed opening discussion on this issue.

MEMBERSHIP BY INTERGOVERNMENTAL ORGANIZATIONS (IGOs):

The EC reported that within a contact group regarding voting matters within IGOs, delegates agreed to delete reference to the assessment of contributions to the Administrative Account. On the issue of EC competence under this article and the article on Signature, Ratification, Acceptance and Approval, the EC said that they would discuss this language with those who drafted it at the UN Treaty Office in New York.

Chair Attah suggested first resolving the issue of IGO membership. The US preferred deleting the paragraph in this article that mentions the number of votes of the EC or any IGOs, as well as one on signature, ratification and acceptance or approval or accession of the EC or other IGOs. However, she agreed to negotiate EC competence in the context of the latter article if it was deleted in the former. Chair Attah stated that if Venezuela's proposal of replacing "governments" by "States and IGOs," was accepted, the entire Agreement would need to be adapted to this change. The EC and JAPAN requested more time to analyze the implications of such changes. After contact group consultations, delegates agreed that "the EC and other IGOs should vote with a number of votes equal to the total number of votes attributable to their member states which are parties to the Agreement."

SESSIONS OF THE COUNCIL: After informal consultation, Chair Attah proposed support for "at least one regular session per year." JAPAN maintained a preference for "one regular" session, and MALAYSIA reiterated its request to have "at least one."

DISTRIBUTION OF VOTES: Delegates agreed to add mention of Latin America and "the Caribbean," on the allocation of votes among producing regions.

DEFINITIONS: On Special Vote, regarding the need for either two-thirds or 60% of the votes cast by Consumers, delegates agreed to delete “two-thirds” and keep “60%” bracketed.

PREAMBLE: Chair Attah said the Legal Drafting Group (LDG) suggested deleting reference to the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Bangkok Plan of Action and the New Partnership for Development. The EC underlined the LDG should not be suggesting changes to agreed text. Chair Attah said he will tell the LDG that this text has been agreed and will not be changed.

AFTERNOON AND EVENING MEETINGS

Working Group II (WGII) contact groups met throughout the morning. Confusion surrounded the process in the afternoon about who would meet, when and where and how the remaining negotiations would proceed. Paranhos presented his own proposal for compromise text on Article 19 (Administrative Account) to Consumers during the day and called for their response by 18:00. He also called for resolution of remaining issues regarding EC membership in the article on membership by IGOs; and in the one on signature, ratification, acceptance and approval; and announced a joint working group meeting to begin at 18:00. Producer and Consumer Groups caucused over lunch, followed by an EU coordination meeting. A group of delegates, invited by President Paranhos, met at 18:00 in an attempt to reach consensus on remaining areas of dispute. On the objective on new and additional financial resources, WGI Chair Attah presented a contact group compromise text on developing and contributing towards mechanisms for the provision of new and additional financial resources, “with a view to promoting the adequacy and predictability of funding” and expertise needed to enhance the capacity of producer members to attain the objectives of this Agreement. Opposition to this proposed wording came from both Producers and Consumers but this text was eventually agreed as proposed by Chair Attah.

On Definitions of “Producer” and “Consumer” members, delegates agreed to delete “net” before “exporter” and “importer,” and to remove brackets from “and/or.” The definitions were approved.

In the Preamble, discussion focused on whether “certification” should be mentioned here or in articles on the Bali Partnership Fund and/or Policy Work of the Organization. On Membership of IGOs, WGI Chair Attah proposed use of “Governments” rather than “Intergovernmental Organizations” and deletion of a paragraph on EC competence, but delegates said that resolution of this article should await discussion of Signature, Ratification,

Acceptance and Approval. On Sessions of the Council, delegates diverged on whether to specify “at least” one regular session or to delete it. This was resolved with delegates' agreement to keep “at least” one regular session.

On the Administrative Account, delegates agreed to the President’s compromise text, with a ratio of 80 percent for Consumers’ assessed contributions, and 20 percent for Producers, for core operational costs such as experts’ meetings and publications, and to remove caps on operational costs. China’s previous proposal to exempt developing Consumers was not accepted. There were some reservations that may be raised again in plenary on Friday, 27 January. On Entry into Force, delegates agreed to a text presented by Chair Blaser that sets thresholds of 10 Producer governments with 60% of the votes and 10 Consumer governments with 60% of import volume of the tropical timber trade for definitive entry into force, and of seven Producer governments with 50% of the votes and seven Consumer governments with 50% of import volume of the tropical timber trade for provisional entry into force.

Delegates agreed to delete “transparent and” voluntary mechanisms in an objective on encouraging information sharing for better understanding of voluntary mechanisms such as, *inter alia*, certification, to promote SFM of tropical forests, and assisting members with their efforts in this area.

IN THE CORRIDORS

As of 18:00 Geneva time, with no breakthrough in sight, many delegates expressed frustration with the process of finalizing negotiations. As delegates gathered for a meeting at the invitation of President Paranhos to finalize negotiations, some questioned whether he should have taken more control more quickly. Although he had spurred delegates with threats to take over negotiations personally in the absence of significant progress from day one of ITTA-4, a steady stream of closed articles seemed to forestall this eventuality. Now that it is becoming clear that some of the still unresolved sticking points revolve around EC membership and participation in the Organization, numerous delegates are grumbling about a lack of firm guidance from above. Indeed, it is still not entirely clear that the negotiations will not fall apart.

One might question whether the problems that exist in coming to final Agreement are simply indicative of gaps between positions that are too large to span. Some observers are asking whether the negotiators will be able to create value in other areas to compensate for the pain of moving away from fiercely held positions. On the other hand, some noted that may boil down to who needs what more as the game of brinkmanship continues.