

UN CONFERENCE FOR THE NEGOTIATION OF A SUCCESSOR AGREEMENT TO THE INTERNATIONAL TROPICAL TIMBER AGREEMENT, 1994, FOURTH PART: 16-27 JANUARY 2006

The fourth part of the United Nations Conference for the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994 (ITTA, 1994) will convene at the Palais des Nations in Geneva, Switzerland, from 16-27 January 2006. The Conference, held under the auspices of the United Nations Conference on Trade and Development (UNCTAD), will focus on resolving issues left outstanding at the end of ITTA-3, including financial arrangements, scope of the agreement, and voting structure. Negotiations will be based on the final working document from the third part of the Conference (TD/Timber.3/L.6), which concluded on 1 July 2005. The goal of the fourth part of the Conference is to reach consensus and adopt a successor agreement, as the current agreement, expires at the end of 2006.

A BRIEF HISTORY OF THE UN CONFERENCE AND ITTA

The International Tropical Timber Agreement (ITTA) was negotiated under UNCTAD's auspices to: provide an effective framework for cooperation and consultation between countries producing and consuming tropical timber; promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market; promote and support research and development to improve forest management and wood utilization; and encourage development of national policies for sustainable utilization and conservation of tropical forests and their genetic resources and for maintaining ecological balance in the regions concerned.

The ITTA was adopted on 18 November 1983, and entered into force on 1 April 1985. It remained in force for an initial period of five years and was extended twice for three-year periods. The Agreement was renegotiated during 1993-1994. The successor agreement, ITTA, 1994, was adopted on 26 January 1994, and entered into force on 1 January 1997. It contains broader provisions for information sharing, including non-tropical timber trade data, allows for consideration of

non-tropical timber issues as they relate to tropical timber, and includes the Year 2000 Objective to enhance members' capacity to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000. The ITTA, 1994 also established the Bali Partnership Fund to assist producing members in achieving the Year 2000 Objective. Initially concluded for three years, the ITTA, 1994 was extended twice for three-year periods and is scheduled to expire on 31 December 2006.

The ITTA, 1983 established the International Tropical Timber Organization (ITTO), headquartered in Yokohama, Japan, which provides a framework for tropical timber producer and consumer countries to discuss, exchange information and develop policies on issues relating to international trade in, and utilization of, tropical timber and the sustainable management of its resource base. The ITTO also administers assistance for related projects. The ITTO has 59 members divided into two caucuses: producer countries (33 members) and consumer countries (26 members). The ITTO's membership represents 90 percent of world trade in tropical timber and 80 percent of the world's tropical forests. The highest authority of the ITTO is the International Tropical Timber Council (ITTC), which consists of all ITTO members and meets twice per year. The ITTC performs, or arranges for the performance of, all functions necessary to carry out the provisions of the ITTA, 1994.

WORKING GROUP ON THE PREPARATIONS FOR NEGOTIATING A SUCCESSOR AGREEMENT TO THE ITTA, 1994: The Working Group met in Bern, Switzerland, from 7-11 April 2003. Participants reviewed responses by ITTO member countries on various aspects of the negotiation of a successor agreement to ITTA, 1994, including: the new agreement's scope; the organization, duration and frequency of Council sessions; issues related to the Secretariat's work; funding mechanisms; and arrangements for the Preparatory Committee. It also considered new and emerging issues relevant to the ITTC and ITTO's relationship with other international organizations.

PREPCOM I: Immediately following the 34th session of the ITTC, PrepCom I convened in Panama City, Panama, from 20-21 May 2003, to begin preparing a draft working document to be used as the basis of the negotiations on the successor agreement to the ITTA, 1994.

INTERSESSIONAL WORKING GROUP ON PREPARATIONS FOR NEGOTIATING A SUCCESSOR AGREEMENT TO THE ITTA, 1994: The Intersessional Working Group on preparations for negotiating a successor agreement to the ITTA, 1994 convened in Curitiba, Brazil, from 25-29 August 2003. The working group, *inter alia*: assessed the distribution and role of conifers in international trade; reviewed ITTO work on non-timber forest products (NTFPs) and non-timber forest values (NTFVs); assessed the extent to which NTFPs, environmental services and NTFVs are covered in the ITTA, 1994, and how these could be strengthened in the successor agreement; proposed preambular language for the successor agreement; developed a list of overarching objectives and definitions; and prepared a work plan for PrepCom II.

PREPCOM II: Immediately following ITTC-35, delegates met in Yokohama, Japan, from 10-12 November 2003, for PrepCom II. Over the course of the three-day PrepCom, delegates reviewed the successor agreement draft working document with a view to clarifying its elements, posing questions and presenting their views on the text. Delegates produced a final draft working document to serve as the basis for discussion at the UN Conference for the Negotiation of a Successor Agreement to the ITTA, 1994.

UN CONFERENCE FOR THE NEGOTIATION OF A SUCCESSOR AGREEMENT TO ITTA, 1994, FIRST PART: The UN Conference for the Negotiation of a Successor Agreement to the ITTA, 1994, First Part, met at the Palais des Nations in Geneva, Switzerland, from 26-30 July 2004, under the auspices of UNCTAD. Throughout the week, delegates based their discussions on the working document (TD/TIMBER.3/4), which contained all articles of the ITTA, 1994 alongside the corresponding articles of the negotiating text of the successor agreement. Working Group I addressed the Preamble, Chapter I (Objectives), Chapter II (Definitions), Chapter III (Organization and Administration), and Chapter IV (International Tropical Timber Council). Working Group II addressed Chapter V (Privileges and Immunities), Chapter VI (Finance), Chapter VII (Operational Activities), Chapter VIII (Relationship with the Common Fund for Commodities), Chapter IX (Statistics, Studies and Information), Chapter X (Miscellaneous), and Chapter XI (Final Provisions). Two contact groups, one established by each working group, met intermittently throughout the week to discuss some of the successor agreement's more contentious issues. Since negotiators were unable to reach a final agreement, they decided that the negotiation would reconvene in Geneva, Switzerland, from 14-18 February 2005. The main areas of disagreement involved the financial structure of the new agreement and its objectives. Some members sought a limited number of broad objectives, while others sought to list specific objectives. On finance, the main issue of contention was the addition of an assessed Work Programme Account.

UN CONFERENCE FOR THE NEGOTIATION OF A SUCCESSOR AGREEMENT TO ITTA, 1994, SECOND PART: The UN Conference for the Negotiation of a Successor Agreement to the ITTA, 1994, Second Part, convened at the Palais des Nations in Geneva, Switzerland, from 14-18 February 2005. During the week, delegates discussed numerous proposals to resolve issues from the first part of the UN Conference, but were unable to reach agreement on a number of cross-cutting proposals on the new agreement's scope and financial arrangement.

UN CONFERENCE FOR THE NEGOTIATION OF A SUCCESSOR AGREEMENT TO ITTA, 1994, THIRD PART: The UN Conference for the Negotiation of a Successor Agreement to the ITTA, 1994, Third Part, convened at the Palais des Nations in Geneva, Switzerland, from 27 June to 1 July 2005. Although delegates made some progress resolving outstanding issues, and reached agreement on over twenty articles, they were unable to reach agreement on core elements: the agreement's scope, objectives, financial arrangements, and voting calculations.

INTERSESSIONAL HIGHLIGHTS

ITTC-39: The thirty-ninth session of the ITTC and associated sessions of the Committees convened in Yokohama, Japan, from 7-12 November 2005. Participants discussed pressing issues including, *inter alia*: the ITTO Biennial Work Programme for 2006-2007; negotiation of a successor agreement; ITTO Objective 2000; and phased approaches to certification. Delegates approved 11 projects, one pre-project, and committed US\$13.3 million in project funds. Delegates also convened in an informal joint producer/consumer group meeting on the renegotiation of ITTA, 1994 to discuss, *inter alia*: the placement of references to NTFP's and ecosystem services; the proposed funding schemes for the Administrative and Work Programme Sub-accounts; and the number of key policy work activities funded through assessed contributions.

SCOPING FOR A FUTURE AGREEMENT ON FORESTS: Over 186 experts from 87 countries and over 20 organizations and institutions gathered in Berlin, Germany, from 16-18 November 2005, to participate in a country-led initiative (CLI) in support of the United Nations Forum on Forests (UNFF). The meeting, co-sponsored by Switzerland, Austria, Germany, and the Global Mechanism of the Convention to Combat Desertification, met with a view to building consensus regarding an international agreement on forests prior to UNFF-6. Participants, speaking in their personal capacities, considered: the merits of developing a legally-binding, versus voluntary instrument, implementation and means of implementation, and the pros and cons of a regional approach. Cross-cutting issues identified included: increasing the political importance of forests; avoiding duplication of efforts; improving access to financial resources; and increasing capacity. The CLI produced a report which will be forwarded to the UNFF Secretariat prior to UNFF-6.

THE EUROPE AND NORTH ASIA FOREST LAW ENFORCEMENT AND GOVERNANCE MINISTERIAL CONFERENCE: ENAFLEG, held in St. Petersburg, Russian Federation, from 22-25 November 2005, brought together over 250 ministers, government representatives, intergovernmental and non-governmental organizations and research agencies from 48 countries, with the objective of improving law enforcement and governance and curtailing illegal logging in the European and North Asian forest sectors. Delegates discussed how to improve the investment climate and private sector incentives, and how to ensure resource access to local populations and equity in resource utilization. Ministers endorsed the St. Petersburg Ministerial Declaration and an Indicative List of Actions, to affirm political commitment and set a framework for action to combat illegal logging.