

CIVIL SOCIETY ADVISORY GROUP (CSAG)

POSITION STATEMENT ON THE SUCCESSOR AGREEMENT TO THE INTERNATIONAL TROPICAL TIMBER AGREEMENT (1994)

July 21, 2004

Twenty years ago, a global outcry of concern over the widespread destruction of the world's natural tropical forests led governments to draft and sign the International Tropical Timber Agreement and to create the International Tropical Timber Organization. The ITTO's primary mission, in direct response to the aforementioned global outcry, was to shift the tropical timber trade onto an environmentally sustainable footing as a means of promoting the sustainable management of the world's natural tropical forests. The creators believed that a flourishing, environmentally sustainable trade would be a key means of protecting natural forests from destruction and of promoting sustainable development. The ITTO has now had two decades to carry out its mission and achieve this shift, during which time many lessons may have been learned. Over the same period, the world has changed in many ways, few of them beneficial to the fate of the tropical forests or the people who depend on them for their livelihoods and survival.

ITTO member governments now have before them their second opportunity in twenty years to demonstrate that they have learned these lessons and are responding effectively to these changes. The Civil Society Advisory Group is very pleased to work with delegates to take advantage of this opportunity and to contribute constructively to the negotiation of a Successor Agreement to the International Tropical Timber Agreement of 1994.

In this statement we highlight some challenges and trends and suggest recommendations for the Successor Agreement which we believe are essential to enable the ITTO to overcome these challenges and to help its members achieve the over-arching goal of sustainable management of the world's tropical forests.

During the last two decades, several hundred million hectares of the world's natural tropical forests have been lost, seriously degraded, or converted to plantations. Unfortunately, the image of the tropical timber trade in the public mind is still characterized not only by un-sustainability but by rampant illegality and corruption. This illegality is currently estimated to deprive timber-producing nations of some \$15 billion in badly-needed revenues annually - revenues which Producer governments need to help support their achievement of sustainable forest management.

In the last decade, the overall value of the global trade in tropical timber products has plummeted from 13 to 8 billion dollars a year, while the value of non-timber forest products and the fast-evolving forest environmental services sector has risen to over 2 billion dollars a year and continues to grow. At the same time, the livelihoods of some 500 million people are directly dependent on the sustainable management of healthy tropical forests, and more than 20% of those forests are officially recognized as owned or administered by indigenous and other communities. Yet critical forest-related laws and policies too often fail to respect the rights, roles and interests of these people, who are among the poorest of the world's poor. On the other hand, tropical timber concession policy still too often exclusively favors a small number of large industrial enterprises and un-sustainable production methods while investments and subsidies overwhelming favor industrial-scale plantations, which are sometimes fraught with environmental and social problems, over sustainably-managed natural forests. Since 1990 the amount of tropical land converted to plantations has risen 120%.

Since its inception, the ITTO has made significant investments in the development and promotion of industrial-scale timber production, marketing, trade and consumer demand. The organization has also debated and developed policy, conducted studies and analysis, and spent some \$250 million on more than 500 projects in its tropical member countries. In 1990, ITTO's members set themselves a target date of the year 2000 for the achievement of the organization's primary goal: the sustainable management of all the world's tropical timber-producing forests. In 1994 they incorporated the goal into the text of the ITTA itself. Four years ago, however, an ITTO-funded study acknowledged that

attainment of the goal was still far out of reach. The priorities, effectiveness, and even the relevance of the organization were called into question by critics and supporters alike.

Recently, promising signals have begun to emerge that the ITTO now has the potential to assert leadership in tropical forest policy and management. The organization is now tackling much more challenging issues in its policy work, and is testing a much broader array of approaches and potential solutions in its project work including on non-timber forest products, transboundary protected areas, and promotion of forest landscape restoration. Similarly, it is now financing a small but growing number of community-orientated projects. Strong leadership, an efficient secretariat, a process for consultation between producers consumers industry and civil society and a small set of committed donors all enable the institution to function and provide the potential for ever greater relevance and impact.

Still, an objective analysis of the ITTO's priorities, activities, successes and failures over the past twenty years suggests that the Successor ITTA and the ITTO's role in implementing it need to be strengthened in a number of key areas if the organization is to realize its potential and make a significant contribution to sustainable forest management.

In particular, we believe that the Successor ITTA should combine specific direction with sufficient flexibility to focus on the most serious underlying causes of tropical forest loss and degradation, to shift the trade in tropical forest products and services onto the most economically, socially and environmentally sustainable path as soon as possible, and to benefit the world's tropical forest-dependent peoples. While we recognize that the ITTA is a commodities agreement, we also believe it has an important role to play in implementing the United Nations Millennium Declaration and Millennium Development Goals - to which all ITTO member governments have subscribed.

To provide this essential direction and focus, the CSAG would like to recommend to delegates that the following five fundamental principles be explicitly reflected in Chapter I, in the Objectives as well as the subsequent operational text of the Successor ITTA:

1. Re-dedication of the ITTA and the ITTO to the achievement of their primary mission: the sustainable management of tropical forests - primarily *natural* forests - at the earliest possible date, and the prioritization of project and policy work toward this end. Significant progress towards sustainable forest management must take precedence over the ITTO's other work with an emphasis on the management and restoration of natural forests.

2. Contribution to the achievement of the Millennium Development Goals by promoting models of sustainable forest management and trade that directly benefit sustainable rural livelihoods and deliver the optimal benefit for the greatest number of people. The inter-dependence of rural livelihoods and sustainable forest management has significant implications for both the future of the world's tropical forests and for millions of people. The ITTO's project and policy work should clearly reflect these linkages.

3. Commitment of the ITTO to curtailing the illegal harvesting of, and trade in, tropical forest products as essential steps towards sustainable forest management. This problem has sweeping economic, social and environmental consequences, and the potential to undermine the achievement of all of the ITTO's goals. The ITTO should be at the vanguard in helping its Producer members to improve their monitoring and law enforcement, and to reform laws and policies to ensure they are equitable and effective; in encouraging its Consumer members to take greater responsibility for their role as importers; and in promoting an international policy environment conducive to resolving the problem globally.

4. Acknowledgement in the ITTA that recognition of the legitimate rights and interests of Indigenous Peoples and other local communities is essential to the achievement of sustainable forest management and trade. Consistent with the formal recognition of such rights by numerous multi-lateral policy bodies, particularly regarding land and resource use and tenure, the ITTO be mandated to promote meaningful and central participation of forest-dependent Indigenous Peoples and

other local communities in decisions affecting their lands and futures and the ITTO should promote government efforts to do the same.

5. Acknowledgement that the sustainable production and trade of non-timber forest products and forest environmental services are legitimate and important contributors to economically, socially and environmentally sustainable tropical forest management. As such, these should be given an explicit role as a legitimate part of ITTO's mission, projects and activities.

In closing, the CSAG would like to reiterate our strong conviction that the incorporation of the principles we have outlined into the Successor ITTA is essential to enable the ITTO to fully realize its potential and make a significant contribution to the sustainable management of the world's tropical forests and the sustainable livelihoods of millions. We are encouraged that the re-negotiation preparatory process has shown us that many ITTO member countries share a similar conviction to these same principles. Finally, we would like to express our appreciation for this opportunity to join with you in ensuring that this organization strengthens its position on these issues. We look forward to working with you toward this end in the days ahead.

CSAG is a body mandated by ITTC to represent views of civil society organizations in Council sessions and increase their participation and input to the implementation of the ITTA. This statement has been developed with the collaboration and support of the following organizations: Asociacion Coordinadora Indigena y Campesina de Agroforesteria Comunitaria Centroamericana; Coordinadora Agroforestal Indigena y Campesina del Peru ; Forest Trends, USA; Foundation for People and Community Development, Papua New Guinea; Indian Law Resource Center, USA; IUCN; Natural Resources Defense Council, USA; Regional Community Forestry Training Center (RECOFTC), Thailand; TRAFFIC; WWF-International; WWF-Indonesia; LEI (Indonesian Eco-labeling Institute)