



THIRTY-FIRST SESSION
29 October – 3 November 2001
Yokohama, Japan

DECISION 6(XXXI)

**FOREST LAW ENFORCEMENT IN THE CONTEXT OF
SUSTAINABLE TIMBER PRODUCTION AND TRADE**

The International Tropical Timber Council,

Recalling the relevant paragraphs of Articles 1, 27, 30 and 36 of the ITTA, 1994, and the Libreville Action Plan;

Affirming the sovereign right of governments over their natural resources;

Recognizing the increasing demand for timber harvest and trade from sustainably managed forests;

Also recognizing the complexity of the underlying causes of unsustainable timber production, and the need to promote sustainable production of timber and adequate access to consumer markets, aiming at a significant increase in the revenues and benefits for governments, forest owners, industry and local communities;

Further recognizing that the problem of unsustainable timber production, inadequate forest law enforcement, illegal trade and their impact on markets are of concern to producer and consumer countries of ITTO;

Further recognizing the desire of all Member Countries to work together to increase sustainable timber production and trade and ITTO's contribution to sustainable forest management practices;

Acknowledging that all countries and the ITTO have a role and responsibility in combating activities that undermine sustainable forest management;

Appreciating the progress made by ITTO Member Countries towards achieving Objective 2000;

Noting that it is in the interest of both producers and consumers to improve sustainable forest management and forest law enforcement and address illegal trade;

Acknowledging the lack of adequate financial resources for sustainable forest management and, in this context, the need to strengthen forest law enforcement;

Decides to:

1. Authorize the Executive Director to engage consultants to conduct, with producer and consumer countries interested in voluntarily participating, a case study on assessing export and import data on tropical timber and timber products in the context of international trade, with a view to improving the accuracy of ITTO's market and economic intelligence;

2. Encourage countries in need of ITTO assistance to voluntarily submit projects for the Organization's consideration which address unsustainable timber harvesting, forest law enforcement and illegal trade in tropical timber with a view to attracting increased funding from Members to develop domestic capacity to address these areas as a matter of priority;
3. Consider in future, in cooperation with other relevant international organizations, the implementation of a global study to assess the extent, nature and causes of illegal trade in timber and timber products and to make recommendations on its prevention in the context of the ITTA, 1994;
4. Request the Executive Director to compile and analyze information on relevant issues affecting market access for tropical timber and to present this to the Thirty-third Session for the Council's consideration and action as appropriate;
5. Authorize the Executive Director, upon request by producer countries, to engage consultants to conduct studies and to assist Producer Countries in devising ways to enhance forest law enforcement, taking into account, when necessary, illegal timber trade and its impacts;
6. Invite Members to include in their reports on Progress towards Objective 2000 information on the promotion of sustainable forest management and timber production and trade practices, including *inter alia* forest law enforcement as well as market access obstacles to tropical timber and timber products, and to share this information among Members;
7. Request the Executive Director to follow the work of international organizations in this area and to contribute as appropriate and to report to the Council; and
8. Request the Executive Director to seek voluntary contributions from Members to the Special Account to finance the implementation of this decision, understanding the need for existing and new resources to finance the objectives of this decision, and to arrange for financing from Sub-account B of the Bali Partnership Fund for activities under operative paragraphs 1, 4 and 5 in the event of insufficient earmarked pledges.

ANNEX I

Terms of Reference for Consultancy on Export and Import Data Case Studies

1. Review trade statistics for selected countries available from ITTO and other sources.
2. Prepare a brief report for each country outlining the nature and magnitude of discrepancies found from this initial review.
3. On the basis of the initial review, undertake missions to selected countries to investigate trade statistics reporting systems. These missions should involve:
 - Overall review of trade statistics reporting system(s) used including the level of reporting detail.
 - Review of individual products where substantial discrepancies discovered including analysis of individual customs records/reports.
 - Research on the effects of different measurement standards and reporting formats (e.g. scaling systems, notation systems, reporting periods, etc.).
 - Research on mis-classification by product and within product codes (e.g. sawnwood-mouldings, coniferous, non-coniferous).
 - Research on possible “triangular” trade, where the destination on bill of lading and/or customs report differs from actual destination.
 - Identification of possible transfer pricing through analysis of average unit values for shipments and other relevant data.
 - Comparison of conversion factors (weight/area/pieces → volume).
 - Identification of areas for further research.
4. Prepare a report summarizing the problems identified and recommending actions to be undertaken by countries and ITTO to strengthen statistical reporting systems and deal with apparent instances of illegal trade.
5. Present the report to the Council at its Thirty-third Session.

ANNEX II

Budget for Forest Law Enforcement in the Context of Sustainable Timber Production and Trade

A. CONSULTANCY ON EXPORT AND IMPORT DATA CASE STUDIES [PARA. 1]

		US\$
1. INITIAL REVIEW		
(1) 2 man months	20,000.00	
(2) Travel to Yokohama for briefing (2 persons, 5 days)	10,000.00	\$30,000.00
2. MISSIONS TO 6-8 COUNTRIES		
(1) 6 man months	60,000.00	
(2) Travel and DSA	40,000.00	\$100,000.00
3. PREPARE REPORT		
(1) 1.5 man month	15,000.00	
(2) Printing and translation	5,000.00	\$20,000.00
4. PRESENT REPORT (travel and DSA)		\$10,000.00
5. MISCELLANEOUS (Communications etc.)		\$10,000.00
6. ITTO PROGRAMME SUPPORT COSTS (11%)		\$18,700.00
	TOTAL :	\$188,700.00

B. INFORMATION ON MARKET ACCESS [PARA. 4]

	US\$
1. PREPARE AND PUBLISH REPORT	\$45,000.00
2. ITTO PROGRAMME SUPPORT COSTS (11%)	\$4,950.00
	TOTAL :
	\$49,950.00

C. CASE STUDIES ON FOREST LAW ENFORCEMENT/ILLEGAL TRADE [PARA. 5]

	US\$
1. SIX CASE STUDIES @ \$50-60,000.00 EACH	\$325,540.00
2. ITTO PROGRAMME SUPPORT COSTS (11%)	\$35,810.00
	TOTAL :
	\$361,350.00
	GRAND TOTAL :
	\$600,000.00

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