



INTERNATIONAL TROPICAL TIMBER COUNCIL

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3 – 8 November 2014
Yokohama, Japan

CONSIDERATION OF REGIONAL ITTO PRESENCE AND REPRESENTATION DECISION 7(XLIX)

[Item 17 of the Provisional Agenda]

Background

1. At the Forty-ninth Session of the International Tropical Timber Council convened in Libreville, Gabon on 25 - 30 November 2013, the Council adopted Decision 7 (XLIX) on "Consideration of Regional ITTO Presence and Representation" (Annex I). Among other things, the Council decided to hold a discussion on the issue of ITTO's regional presence and representation during its Fiftieth Session and invited member countries to submit to the ITTO Secretariat views on the possible role and objectives, feasibility, and budgetary implications of strengthening ITTO's regional presence. The Council further requested the Secretariat to compile Members' submissions in advance of the Fiftieth Session of the ITTC and to prepare a concise background paper summarizing ITTO's experience with regional representation.

Submission by Member Countries

2. Pursuant to ITTC Decision 7(XLIX), the Secretariat requested member countries to submit to the Secretariat by 30 June 2014, views on the possible role and objectives, feasibility, and budgetary implications of strengthening ITTO's regional presence.

3. Responses were received from Guatemala, Mexico, Japan, the European Union and its Member States, Gabon and New Zealand. These responses are attached as Annex II.

ITTO's Experience with Regional Representation

4. At the tenth Session of the Committee on Finance and Administration in November 2001, the Secretariat proposed to the Committee to establish two additional posts of regional officers, one in each region for an initial period of one year, estimating a cost of USD 200,000.00 per post, including expenditures for communication, travel and supporting services. The justification was that ITTOs' presence in remote regions like Africa and Latin America was becoming more and more essential. The Secretariat further proposed that the resources of the Working Capital Account be utilized to meet these expenditures.

5. The proposal was to engage two highly qualified professionals to facilitate the work of the Organization in the two regions. They could be based in offices of other organizations co-operating with ITTO in the regions, preferably offices of international organizations, (e.g. ATO, FAO etc.). The officers would primarily assist in implementing project monitoring and evaluation work in the countries of these regions. In addition, this regional presence would also strengthen relationships between ITTO and its members and relevant organizations operating in Africa and Latin America. The new positions were necessary to improve the effectiveness and impact of ITTO activities within producer countries of these two regions, while avoiding setting-up costly branch offices in these regions.

6. The Committee after thorough deliberations, and noting that the arrangement was on a pilot basis, decided to recommend to the Council to authorize the Executive Director to proceed with the pilot arrangement to engage the two Regional Officers, and to utilize an amount not exceeding

USD 270,000.00 from the un-earmarked funds of the Pre-Project Sub-Account to finance the costs for this arrangement.

7. Following the decision of the Council, proposals were received from various Member Countries in the African and Latin American Regions and, following more detailed negotiations with the various countries, Brazil was selected to host the Regional Officer from Latin America and Gabon was selected to host the Regional Officer from Africa.

Terms of Reference of the Regional Officers

8. The work assignments for the Regional Officers are the following:

Under the direction of the Executive Director of ITTO, the Regional Officer will primarily assist the organization in the implementation, monitoring and evaluation of ITTO-financed projects in the region and prepare reports to the Executive Director on current issues and matters requiring immediate attention by the Organization. The Officer's responsibilities and tasks also included the following activities in the region:

- (i) Strengthening the relationship between ITTO and Member Countries and relevant organizations and institutions operating in the region, particularly through participation in national/regional meetings and workshops on topics relevant to the work of ITTO.
- (ii) Assisting Member Countries with project identification and providing appropriate advice in project formulation;
- (iii) Providing information to Member Countries on ITTO activities, through dissemination of information, publications, etc.;
- (iv) Assisting in the implementation of ITTO technical missions; and
- (v) Collecting and collating information and data of relevance to the Tropical Forest Update (TFU) and the ITTO Annual Review of the International Timber Situation.

9. The Regional Officer for Latin America began work in December, 2002 and the RO for Africa in July, 2003. Since that time the Officers have been carrying out their duties in Brasilia, Brazil, in Latin America and in Libreville, Gabon in Africa.

10. After the initial pilot phase of one year, at its Fourteenth Session in 2003, the Committee on Finance and Administration deliberated on the possible sources of financing of the Regional Officer positions, if the arrangement was to continue. The Committee recommended to the Council to increase the percentage charge for Programme Support by an additional two percent (2%), thereby increasing the Programme support charge for projects, pre-projects and activities from 6% to 8%. It was estimated that the 2% increase in the Programme Support charge would result in an overall increase of around USD 200,000 – USD250,000 per annum, subject to the momentum of voluntary and other contributions. The Committee further recommended to the Council that the approval for the increase was to be on a trial basis for a period of two years, and after a period of eighteen months an evaluation of the performance of the Regional Officers was to be carried out to determine the merits and effectiveness of these positions, including other options for financing.

Evaluation of the Regional Officers' System

11. Following a pilot period of about two years, in 2005, ITTO conducted an evaluation of its Regional Officer System and a consultant was contracted to assist in the evaluation.

12. The report of the consultant was presented to the Committee on Finance and Administration at its Seventeenth Session in 2005. The consultant summarized his report to the Committee as follows:

- (i) On the whole the current ITTO Regional Officer (RO) System was beginning to prove itself useful, after going through considerable investments in terms of time and funds. Initially, a number of teething problems had to be overcome, viz., finding a host country with adequate facilities, privileges and immunities, as well as selection of the Regional Officers. Moreover, the ROs themselves had to become familiar with the ITTO Project operation procedures as well as the ITTO Headquarters had to adopt itself to work through the ROs.

(ii) However, due to the “temporary nature” of the system – a pilot scheme – the current arrangements with regard to the RO System was not entirely satisfactory. A system on a permanent basis would ensure adequate facilities and privileges from the host country as well as it would allow the ROs and the ITTO Headquarters to perform more effectively with a longer term management plan.

(iii) The following three Options were suggested by the Consultant:

Option I: The Regional Officers System be significantly strengthened and transformed to a Regional System that could monitor and evaluate nearly all of ITTO projects and take on certain tasks that could be more efficiently and effectively handled at a regional level; or

Option II: The Regional Officers System continued essentially as it was being operated but that it should undergo some changes that could strengthen its work; or

Option III: The Regional Officers System be discontinued and ITTO return to its former way of handling the monitoring and evaluation of projects in Africa and in Latin America and the Caribbean.

13. The Committee recommended to the Council the continuation of the Regional Officer system until 31 December 2006. The Committee further recommended that for the financing of the Regional Officer system, the Organization should continue to apply the 2% charges to be deducted in all budgets of projects, pre-projects and activities, and to be deposited as Programme Support.

14. At its Twentieth Session convened in November 2006, following the recommendations of the Committee at its Seventeenth Session, the Committee on Finance and Administration revisited the issue of ITTO Regional representation and its financing. After extensive deliberations, the CFA recognizing the contributions of the Regional Officers for the effective monitoring of project implementation activities, decided to recommend to the Council that the posts of the two Regional Officers be continued and financed from the Programme Support component in the Special Account, while maintaining the charges of the 2% to be deducted in all budgets of projects, pre-projects and activities.

15. The ITTO Regional representation has continued to work, on the basis of the CFA recommendation endorsed by the Council. The Secretariat has been analyzing the Annual Reports of the Regional Officers with a view to strengthening their activities and presence in the regions.

Conclusions

- The Secretariat recognizes the benefits offered by the regional offices although at the initiation of the process it took considerable time to train and coach the new staff members in their work
- While the Regional Officers have been of considerable help to the Secretariat in the monitoring and evaluation of projects, and ensuring the presence of ITTO in major meetings in the two regions, they have been able to provide only minimal assistance with regard to services for market intelligence and ITTO publications such as the Tropical Forest Update.
- Provided that there is a substantial portfolio of projects at the regional level, the Secretariat recognizes that there are considerable savings to be made by having officers located in the region, particularly regarding travel. Officers located in the regions may also offer closest contacts with countries and executing agencies in the regions and be more suitable to provide extended field visits for projects encountering implementation problems.

16. The Council may wish to revisit the options provided by the consultant during the evaluation of the Regional Officers' System as contained in paragraph 12 above, in light of recent developments regarding the proposal by the Government of Gabon to host the ITTO African Regional Office.

Annex I

Distr.
GENERAL

ITTC(XLIX)/21
30 November 2013

Original: ENGLISH

FORTY-NINTH SESSION
25 - 30 November 2013
Libreville, Gabon

DECISION 7(XLIX)

CONSIDERATION OF REGIONAL ITTO PRESENCE AND REPRESENTATION

The International Tropical Timber Council,

Recalling Paragraph 5 of Article 3 of ITTA, 2006;

Acknowledging the services provided to Members by the Secretariat through the ITTO Regional Officers for Africa and Latin America and the Caribbean, under the management of the Executive Director, in relation to the project cycle, thematic programmes and the general representation of the Organization;

Reaffirming the need to continue enhancing the efficiency and productivity of the Organization as a whole, and the need to reduce overhead costs as far as possible;

Noting the request by a number of ITTO Members at the Forty-ninth Session of the ITTC for considering the possible role and objectives, feasibility and budgetary implications of strengthening regional representation, *inter alia* through the possibility of establishing regional offices;

Further noting Gabon's generous offer at the Forty-ninth Session of the ITTC to host an African Regional Office;

Decides to:

1. Hold a discussion on the issue of ITTO's regional presence and representation during the Fiftieth Council Session in Yokohama;
2. Invite Members to submit to the ITTO Secretariat by 30 June 2014 views on the possible role and objectives, feasibility, and budgetary implications of strengthening ITTO's regional presence; and
3. Requests the ITTO Secretariat to compile Members' submissions in advance of the Fiftieth Session of the ITTC and to prepare a concise background paper summarizing ITTO's experience with regional representation.

Annex II

Submissions by Member Countries

Gabon
Guatemala
Japan
Mexico
New Zealand
European Union and Its Member States

GABON

MINISTRY OF FORESTS ENVIRONMENT AND
THE PROTECTION OF NATURAL RESOURCES

Libreville on 30/06/2014
No / MFEPRNICAB

MEMORANDUM

DECISION7 (XLIX) CONSIDERATION OF REGIONAL ITTO PRESENCE AND REPRESENTATION (Reviews and opinions on ITTO regional presence):

Case of the Office of the ITTO Regional Representative for Africa based in Libreville, Gabon

1. BACKGROUND

Decision 7 (XLIX) on the consideration of the presence and representation of the International Tropical Timber Organization (ITTO) at regional level was adopted during the 49th Session of the International Tropical Timber Council (ITTC), held in Libreville, 25 -30 November 2013. Pursuant to paragraph 5 of Article 3 of the ITTA, 2006, and for the purpose of having this Decision implemented, the ITTO Secretariat invited the Members to submit to the ITTO Secretariat by 30 June 2014 views on the possible role and objectives, feasibility, and budgetary implications of strengthening ITTO's regional presence.

The goal of the exercise is to prepare a concise background paper summarizing ITTO's experience with regional representation in order to decide upon the establishment of ITTO regional representations during the 50th session of the ITTC to be held from 3 to 8 November 2014 in Yokohama, Japan.

2. HISTORY OF ITTO REGIONAL REPRESENTATION ESTABLISHMENT PROCESS

The establishment of ITTO Regional Representations was proposed in 2003 as part of the implementation of Pilot Program PP-A/31-144. Operating under the authority of the Executive Director, two (02) Representations have been formally established to-date, one for Africa and one for Latin America and the Caribbean. Moreover, with the entry into force of the International Tropical Timber Agreement, 2006 (ITTA, 2006) in December 2011, it is stipulated that the legal provisions to establish a regional office of the International Tropical Timber Organization (ITTO) may be implemented in accordance with Paragraph 5 of Article (ITTA, 2006).

Several generous offers to host the ITTO Regional Office for Africa were issued and subsequently reiterated by Gabon.

They were contained in the following communications and correspondences:

- Ministerial letters dated 27 February and 14 October 2002;
- Speech by the Minister responsible for forests at the 48th session of the Council, held from November 5 to 10, 2012 in Yokohama;
- Speech of the Minister in charge of forests at the 49th session of the Council, held from 25 to 30 November 2014 in Libreville.

Since 2003, Gabon has always supported the ITTO Regional Representative for Africa and his assistant. Although office spaces have been secured for them, it remains difficult to grant them benefits, privileges and immunities in the absence of any Headquarters Agreement that would be signed by the ITTO and the Government of Gabon in a manner similar to those of other international institutions and organizations such as the FAO.

To have this international event leave a lasting mark in our country, the suggested was made to formalize the creation and establishment of said Office by submitting a Draft Decision to the International Tropical Timber Council together with a draft Headquarters Agreement.

3. REVIEW OF ITTO REGIONAL REPRESENTATION EXPERIENCE SINCE 2003

The lessons learned are taken from the report of Consultant **THELEN KYRAN**, whose findings and recommendations were presented and discussed at the 38th session of the International Council of ITTO in 2005 in Brazzaville, Republic of Congo; these lessons are still valid today as they highlight the significance, relevance and the direct and indirect impacts of ITTO Representations at the regional level.

Regarding the financial aspect, it is clear from this report that the operationalization of regional offices ITTO can help to increase ITTO efficiency and reduce its operating costs – which has long been a major concern --, including travel costs, as part of the restructuring of the Secretariat; hence the need to refer to this report and its core data assessment when discussing the relevance and impact of regional-level ITTO representations.

Given the need for ITTO to continue raising its efficiency and productivity level, while reducing costs under the restructuring objective of the Secretariat, it is useful to review the financial implications of the plan together with the configuration of the future structure. Therefore, Gabon awaits the conclusions and recommendations of the 50th Session of the International Tropical Timber Council (ITTC) that will provide the basis on which Gabon will develop and put forward a detailed proposal describing the additional benefits and its own contribution to the structure, as this contribution will take the form of a multifaceted support aimed at ensuring the effective operation of the Regional Office for Africa to be created and established in Libreville.

4. VIEWS ON THE POSSIBLE ROLE AND OBJECTIVES, FEASIBILITY, AND BUDGETARY IMPLICATIONS OF STRENGTHENING ITTO'S REGIONAL PRESENCE

Gabon strongly reiterates its wish to see the ITTO Regional Office for Africa created and established in Libreville. This formal creation and establishment is strongly desired and encouraged by Gabon who admits having been a beneficiary since it became a member.

Gabon seeks from the ITTC the formalization of the creation and establishment of ITTO regional offices and insists on the need to build on lessons learned from the current operation of the Regional Offices for Africa and Latin America, under the implementation of Pilot Program PP-A/31-144.

The shape and structure of such a Regional Office for Africa will be in accordance with the missions to be assigned to it by the ITTC, bearing in mind the urgent need to ensure the smooth implementation of ITTO strategic action plans. Gabon is in agreement with ITTO on the importance of establishing regional offices, like other international organizations, because the Organization headquarters are too distant from the its core field-level activities revolving around services provided to Members by the Secretariat -- project cycle, thematic programmes, general representation of the Organization.

Finally, Gabon is willing to make financial proposals commensurate with the scope and structure of the ITTO Regional Office for Africa, once the creation and establishment thereof is approved by the ITTC with a set of specifications or terms of reference reflecting ITTO expectations made available. Such terms of reference will detail inter alia and as appropriate the missions, objectives and roles assigned to the Office by the ITTC, the types and categories of full-time personnel and support staff to be appointed, the dimensions of allocated office space and premises, the list of equipment to be provided, together with a breakdown of operating costs and related budgetary implications to be negotiated between the parties (Gabon and ITTO).

Gabon therefore could grant the ITTO Regional Office privileges at least equivalent to those already enjoyed by some representations of intergovernmental institutions having an official representation in Libreville, including those of the United Nations, such as the FAO. After having supported the ITTO Regional Representative for Africa and his assistant since 2003, Gabon now seeks through the ITTC to achieve an understanding with the other ITTO member countries whereby Gabon should enjoy a form of "pre-emption right" (or right of first refusal) when the creation and establishment of the ITTO Regional Office for Africa will be formalized, and negotiate with ITTO the conditions for its operationalization under a Headquarters Agreement.

5. TENTATIVE SCHEDULE / ROAD MAP

If the principle of a “right of first refusal” is accepted by the ITTC, Gabon will propose the following negotiation road map with the ITTO Secretariat, as described in the table below:

ACTIONS	TENTATIVE DATE	PARTIES
1. To dispatch to Yokohama, Japan, a joint delegation (representatives of the Presidency of the Gabon Republic, the Prime Minister, the Ministry of Foreign Affairs and the Ministry of Forestry) to negotiate the main provisions of the draft headquarters agreement	By March 2015	Gabon
2. To circulate the draft headquarters agreement negotiated during the ad hoc mission in Yokohama, Japan, to ITTO members for comments	June 2015	ITTO Secretariat ITTO Members
3. To finalize the draft headquarters agreement, incorporating any comments from ITTO members of the ITTO	September 2015	ITTO Secretariat Gabon
4. To invite the Executive Director of ITTO to sign the Headquarters Agreement in Libreville, Gabon, as guest of the Government of Gabon.	By December 2015 or earlier	ITTO Secretariat Gabon

The above schedule of negotiation steps for a draft headquarters agreement will keep its financial impact as minimal as possible for the ITTO Secretariat, as it aims to contribute to the operationalization of the ITTO Regional Office for Africa as early as possible, within a framework that should be mutually beneficial for both the ITTO Secretariat and Gabon.

André Jules Madingou

Adviser to the Minister responsible for International Cooperation
ITTO Official Focal Point in Gabon

[signed]

GUATEMALA

Guatemala, 27 June 2014
COEP 53.2014

Mr. Emmanuel Ze Meka
Executive Director
International Tropical Timber Organization
Yokohama, Japan

Dear Mr. Ze Meka,

Firstly, I would like to take this opportunity to extend my warmest greetings to you. With reference to Decision 7(XLIX) "Consideration of Regional ITTO Presence and Representation", I hereby submit Guatemala's observations and points of view:

1. The regional presence of ITTO should be more actively involved in the monitoring of projects, programs and actions implemented by the Organization for the strengthening of member countries;
2. In addition to project monitoring, the regional ITTO presence should be a direct channel of communication with the Organization's focal points in the corresponding regions. This should include the coordination and management of regional meetings for the discussion of issues to be proposed to the ITTC;
3. Even though the strengthening of ITTO's regional presence would require the addition of professional staff to the current structure, it could result in a considerable reduction of travel costs, DSA, materials and other expenses related to the availability of specific personnel at the Organization's headquarters in Yokohama;
4. A factor to be considered is the analysis of the different regions, as in many cases the area covered by them is too large. Therefore, the possibility of strengthening the Organization's presence at the sub-regional level should be considered. The Latin American region, for example, could be divided into two sectors, with one officer in charge of South America and another officer in charge of Central America, North America and the Caribbean.

Thanking you for your attention, I remain,

Sincerely yours,

Mario Rafael Rodríguez Palma
Head of External Cooperation and Pre-investment
Directorate of Planning, Monitoring and Evaluation

JAPAN

20 June 2014

Mr. Emmanuel Ze Meka
Executive Director
International Tropical Timber Organization
International Organizations Center
5th Floor, Pacifico-Yokohama
1-1-1, Minato Mirai
Yokohama 220-0012

Dear Mr. Ze Meka,

On the discussion on “Consideration of Regional ITTO Presence and Representation” of the 50th ITTC Session in Yokohama, Japan, the Government of Japan would like to make some comments as described below.

As the primary donor country, we fully support ITTO activities which bear great significance for global forest management. The projects have not only contributed to forest conservation but also to increasing local income and realizing a more stable timber trade between producer countries and consumer countries.

With this in mind, I would like to point out that it is the projects that count. I should also like to reiterate the importance of improving the effectiveness and efficiency of the ITTO secretariat, including its regional presence. The more efficient the structure, the more allocation of budgets for actual projects.

Furthermore, I should underline the necessity to clarify the role of regional officers and the manner in which they divide labor with the officers at the headquarters.

Bearing in mind the importance to maintain if not increase the volume of actual projects, we must make sure that the additional cost of a new regional presence does not prove as hindrance for these projects.

With best regards,

Yours sincerely,



Kazuhiro Takahashi
Director
Global Environment Division
International Corporation Bureau
Ministry of Foreign Affairs, Japan

MEXICO

General Directorate
Ref. No. DG-234/2014

Zapopan, Jalisco, 5 March 2014

Dr Emmanuel Ze Meka
Executive Director
International Tropical Timber Organization

Dear Sir,

I refer to Decision 7(XLIX) "Consideration of Regional ITTO Presence and Representation", adopted by the Forty-Ninth Session of the International Tropical Timber Council, through which member countries are invited to submit their views on the possible role and objectives, feasibility and budgetary implications of strengthening ITTO's regional presence.

In this respect, I hereby attach the views of this Commission as the national focal point of the International Tropical Timber Organization for Mexico.

I take this opportunity to send you my warmest greetings.

Yours sincerely,

Jorge Rescala Pérez
General Director

cc. Ing. Arturo Beltrán Retis, Deputy General Director.

Ing. Sergio Graf Montero, General Coordinator for Production and Productivity.

Miguel Ángel Abaid Sanabria, Head of the International Affairs and Financial Development Unit.

Annex

**“Consideration of Regional ITTO Presence and Representation”
Decision 7(XLIX) – 49th Session of the International Tropical Timber Council**

Comments from the National Forest Commission, Mexico

1. The establishment of regional offices could strengthen the presence of the Organization and encourage greater participation from member countries; however, rather than opening new regional offices, we propose to strengthen the role of ITTO’s Regional Officers through the organization of onsite and/or remote meetings at the regional level to establish closer links between the Regional Officers and focal points in the member countries of each region.
2. It is important to consider that the establishment of regional offices would increase the Organization’s operational costs at a time when its limited budget has not allowed it to finance the implementation of most of the activities set out in its Biennial Work Programme (BWP) for 2013-2014, as indicated in document ITTC(XLIX)/6 “Progress Report on the ITTO Biennial Work Programme for 2013-2014”.
3. The establishment of regional offices would require an increase in the Organization’s staff numbers, which would go against the deliberations that took place during the 27th Session of the Committee on Finance and Administration, held in Yokohama, Japan, on 5 – 10 November 2012, as well as the provisions of the 2013 Administrative Budget establishing a new operational structure for the Organization, which involved a reduction in the total number of staff from 44 to 29 due to budget restrictions.
4. Even if the countries interested in hosting these offices were to offer to cover the costs involved in the operation of the regional offices, such as salaries and utilities, the costs related to personnel travel would most likely increase, as would the costs related to the Organization’s administrative efficiency given the need to ensure that the limited staff available in ITTO’s Headquarters in Yokohama work in close coordination with the new regional offices.

NEW ZEALAND

New Zealand comments on Decision 7 (XLIX)

Consideration of Regional ITTO presence and representation

The issue of regional presence and representation for the ITTO needs to be given serious consideration. A number of questions need to be answered, the pros and cons weighed up, and the issue framed strategically as “how does this add to ITTO’s comparative advantage in the global forestry landscape?”

There are benefits to regional presence and representation for international organisations. The FAO has a well-developed regional office structure and the recent FAO reform process has focused more attention on the work of these regional offices. This allows for strong programme development to be tailored at the regional level. It also allows for regional-specific circumstances to be taken into account in policy discussion. However, there is also a clear structure that allows policy debates at the regional level and the lessons learnt to be raised up to the international level. For example, in FAO the regional forestry commissions meet biennially and raise their concerns and recommendations to the Committee on Forestry. In the United Nations Forum on Forests, while the process is not as formal, there is opportunity for regional groups to provide their perspectives into the global policy discussion. We would therefore have to consider how ITTO regional representation would be structured to connect the regional offices and headquarters/council sessions. We would also need to consider how the work and demands of regional offices integrate with the ITTO’s strategic plan and high-level policy direction.

The split in responsibility for programme development and project implementation also needs to be assessed. ITTO currently has a good track record in project delivery; will the establishment of regional offices alter the project setup? Will there be a greater focus on regional projects? Will funding for projects still be distributed at a global level; or first divided into regional pools then allocated from there? What impacts will this have on ITTO’s strategic direction and the functionality of the thematic programmes?

We have also identified a need to decide if the ITTO is establishing regional presence in all of the producer regions, just one, or rotating the presence amongst the regions? If only one regional office, how would we decide which region? Also, within the region who will get to host the office and how will this be decided; by the region in question or by the ITTO as a whole?

How will ITTO regional offices interact with other organisations, particularly other regionally focused offices? There will be a need to carefully coordinate to ensure that there is scope for collaboration without overlapping mandates.

One question that will need to be answered early on in the discussion is that of funding. Will regional offices be funded by the ITTO, by some sort of regional funding mechanism, or by the host country; or a combination of the above? In any case it will need to be decided if this will come from new funding or the diversion of existing funding. If it is new funding then the ability to raise and maintain appropriate levels of funding needs to be ascertained. If it is diverted funding then it needs to be clearly established that the diversion of these funds is adding greater value to ITTO than the current allocation.

At a more strategic level two final questions are; in the global debate on forestry and the ITTO’s role in the post-2015 landscape and renegotiation of the International Arrangement on Forestry, what value does regional presence and representation add to the package that ITTO has to offer? Will the process of regional representation and presence reinvigorate the organisation or distract it from its core-value offering?

New Zealand would welcome a discussion with other Parties on these questions.

Ministry for Primary Industries
New Zealand, 25 June 2014

EUROPEAN UNION AND ITS MEMBER STATES

Ref. Ares(2014)2180040 - 02/07/2014



SUBMISSION ON BEHALF OF THE EU AND ITS MEMBER STATES

Subject: ITTC Decision 7(XLIX) - "Consideration of regional ITTO regional presence and representation"

The European Union (EU) and its Member States would like to thank the ITTO secretariat for the letter Ref. L.14-0034 of 06 February 2014 inviting ITTO members to provide their views on the issue regional ITTO regional presence and representation in line with the Decision 7(XLIX).

As reflected in the statements made by the EU during the discussions on this subject at the 49th Session of the International Tropical Timber Council (ITTC49) held in Libreville last year, the EU acknowledges and appreciates the support that the ITTO secretariat provides to producer countries, including through the two existing posts of Regional Officers for Africa and Latin America and the Caribbean.

Recalling the discussion on this topic during ITTC49, as well as in previous session of the Council during which the restructuring of the secretariat was extensively debated and ultimately agreed in 2012, we believe that given the significant administrative and organizational changes that the organization has gone through over the last few years, as well as the observed decline in the amount of voluntary funding for ITTO's project work, the priority for the organization is currently to consolidate its revised structure, concentrate on its core mandate and continue to make significant efforts towards a more effective use of its existing human and financial resources. Any discussion on strengthening or expanding the regional presence or representation of the ITTO should consider carefully expected benefits and budgetary implications, as well as the risk of fragmenting and overstretching the current capacity, and limited financial resources of the organization.

The EU and its Member States remain unconvinced that, at this stage, establishing regional offices would be useful, particularly since there is currently no clear need or evidence of value added. In fact, we are concerned that any such initiative would entail either a new cycle of expansion of the organization for which no resources are available or a new radical reorganization of the Secretariat which would imply moving resources away from, and hence weakening of, the ITTO headquarters.

In this respect, the EU and its Member States think that different options to enhance ITTO's regional presence and representation could be considered, including on the basis of the background paper to be prepared by the Secretariat in line with the relevant Council decision. In this context, due consideration should be given to opportunities for cooperation and synergies with relevant organizations active at the regional level, particularly other fellow member organizations of the Collaborative Partnership on Forests, as well as to the possible implications for the work of the ITTO deriving from the ongoing review of the International Arrangement on Forests (IAF) and the related decision on the future of the IAF to be taken at the 11th meeting of the UN Forum on Forests (UNFF) in May 2015.

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