

Interview with Markku Simula

Markku Simula was a member of the Finland delegation to ITTO from 1987 to 1991. He has served as chair of the Committee on Forest Industry (in 1988), as a participant in several diagnostic missions to ITTO member countries, and in a broad range of consultancies. He was vice-chair (and acting chair) of the International Tropical Timber Council in 1989 and chair in 1990



Markku Simula Photo: Earth Negotiations Bulletin

What were the major challenges the Council dealt with during your term as Council chair?

We were still very much in the early phases of the learning curve at that time. We were trying to establish routines, especially on how the Council sessions would be run. But the other kind of challenge was that we had a very polarized situation between the producers and consumers and there were differing views on the Organization's future. Many delegates did not know the subject matter, and there was no institutional history. In such situations, individuals start to play a very strong role. Clearly, the interests or expectations about the Organization were different among producers, consumers and other stakeholders.

The *ITTO guidelines for the sustainable management of natural tropical forests* were approved in that year. In retrospect, this was a historic document because only now—after 24 years—have we been able to revise them. The normative nature of the guidelines—in other words, they identified performance requirements for SFM—was a very conflictive issue in the Council. Due to the lack of experience in the Organization and thanks to the very strong lobbying of some key environmental NGOs, the guidelines were approved during the course of the eighth Council session. I don't think anyone realized at the time the normative power that this document would have. Later on, more focus was given to the criteria and indicators for sustainable forest management (C&I), which are descriptive and therefore less conflictive. Maybe producers didn't realize fully what the guidelines would mean for them, so they kind of just slipped in. Of course, there were expert panels beforehand and we did not work in a blind way, but the true importance probably became clear afterwards.

The Sarawak mission was another big challenge. It was a very high-profile exercise and a pioneer effort because consultations at the ground level in the bush were a major component of it, and there was a strong element of concern about impacts on the indigenous people. Among other things, the mission's report led to decisions by the Sarawak Government to reduce the level of harvesting, and also to a dialogue process. The report itself was not so conflictive, but the NGOs were not happy—at least not all of them—with the outcome, and they called for a more drastic reduction in harvesting. There were even demonstrations against the Organization outside the conference room, which captured a lot of publicity. The Council approved the report, which gained considerable attention in the international press, and it brought attention to ITTO at the international level. So it clearly lifted ITTO's image as a unique kind of commodity organization dealing with serious environmental and social concerns. The mission had wider effects, too, because this kind of diagnostic work was later adapted and performed in other countries; ITTO diagnostic missions have now been conducted in about 20 countries.

The third item was the Year 2000 Objective. At that time we did not have the Millennium Development Goals, so the Year 2000 Objective was an important innovation. It had a deadline and a quantitative target, whereby all trade in tropical timber should come from sustainably managed forests by 2000. Of course, this objective was later incorporated and adapted in the International Tropical Timber Agreements [ITTAs] and continues to serve as a key goalpost for ITTO.

The Council made several other achievements in my time, and one I consider particularly important was the Fellowship Programme. It was Manoel Sobral's idea, and he convinced me to push it through. There was resistance from some parties because there were other ongoing grants programmes, and the question was raised whether another one was needed. Nevertheless, the Fellowship Programme has been one of ITTO's main contributions to capacity building over the years.

Describe the atmosphere in the Council at that time.

There was enthusiasm from one perspective, but also resistance about how far the Organization should go. We were still laying down the foundation for the work. At that time, the stakeholders—the non-members—were very active and vocal in the Council's work, quite different from today. The environmental NGOs pursued their objectives in the Council sessions, directly and also in the corridors. Some also lobbied their views in the capitals during sessions to change the predetermined positions of delegations. The industry was probably more active than today, too, because they saw a concrete opportunity for pursuing their interests through ITTO. So on one side there was a lot of enthusiasm, that was clear—everyone was very happy to be around, and there was a very good and positive atmosphere that we were building something new, something that had never been tried. But then when we came to the real negotiations we found that our views were quite different.

What are the Council's major strengths?

The unique comparative advantage of the Council is its two caucuses—producers and consumers. This equality is the key strength of the Council, and it has made ITTO different from other intergovernmental organizations. It means that the two sides always participate in an equal way—be it in the Council and committees, the expert panels, consultancies, workshops, and so on. For as long as ITTO has been going, care has been taken to involve both sides equally. Both sides understand that we must take the other side clearly into account, and I think this is valuable.

The advisory groups—the Trade Advisory Group and the Civil Society Advisory Group—are another strength, and a third strength is the very strong commitment of some members. I think the existence of strong supporters has been essential to the Organization's success; they have contributed enormously, not only financially but also intellectually.

What are its weaknesses?

The Council has been limited in its normative work because of the strong polarization of views; it's very difficult to push normative elements on SFM, industry development and trade through the Council, and this is also reflected in the negotiations of the ITTAs themselves. So it's not just a matter of the Council; it's also about the

countries' legitimate interests in how far the Organization should go in setting norms for how tropical forests are managed and used.

Another issue is that, among the Council delegates, there are always people who are not fully trained or educated on the subject matter, and therefore extra effort is often needed to bring them to the level of the others. On the consumer side, the responsible ministries are not normally the sector ministries; they come from trade or development aid authorities, and some important countries are not represented at an appropriate level.

There are also other weaknesses. One is the tendency of the Council to micromanage the Organization, and the need for this is not clear. Another weakness is a certain lack of institutional memory. The Council has an incremental way of making decisions that does not always duly consider what has been decided earlier on, so you get grey areas where various decisions are not fully consistent over time. One should look carefully at earlier decisions, reform what needs to be reformed, and get rid of what is no longer relevant, but this process is not always followed.



Photo: Earth Negotiations Bulletin

What do you see as the future role of the Organization?

This is a tough question. The trade is changing, with some producers becoming net importers; it is a much more complex situation than it used to be. China has become the largest player in tropical timber, and entire trade flows have changed.

We are also facing a paradigm change in the international forest policy landscape. ITTO's underlying paradigm has always been that if we add value to the resource then it will be conserved and maintained, and at the same time we can contribute to sustainable development. This paradigm is highly compatible with the forthcoming Sustainable



Photo: Earth Negotiations Bulletin

Development Goals (these are yet to be adopted, but they are sufficiently developed to say something about them). In the Millennium Development Goals, forests were treated only in an environmental context, but now we are coming back towards ITTO's original paradigm, in which forests and SFM are seen as a sustainable source of economic development, so I think this will strengthen ITTO's case. Populations are growing and we require forests to meet their needs; this provides ITTO with a clear area of work. It's certainly an advantage that there is consistency—and indeed strong convergence—between the Sustainable Development Goals and the ITTA 2006 and thereby the Organization itself.



Photo: K. Sato/ITTO

But the role of forests will change. We are now moving from natural forests to plantations; plantations already account for 30% of global timber supply. At the same time, the environmental and other services of forests are becoming more important. We are moving clearly towards a more holistic approach that goes far beyond timber, not only in the management of the resource but also in markets. So the International Tropical *Timber* Organization may be having an identity crisis. This is one of the dilemmas ITTO will face more clearly in the future. Other parallel initiatives are targeted at the many

environmental services performed by tropical forests, and I think ITTO is having some difficulty in crystallizing its complementary role for donors and other stakeholders.

Funding is therefore clearly a key problem. There must be a minimum critical amount of financing to enable the Organization to do what it should do. So if there is no funding in the future or if the funding goes down—fortunately we have more or less stabilized it now—then the whole *raison d'être* for having an international organization may not be there. Members should understand that we have to diversify and innovate in this area.

Related to this, if we have limited resources, we cannot ask everything. We are heading now in a direction where we are asking the Organization to do many things identified in action plans and to manage projects and at the same time we are reducing staff. I think this is a very dangerous road. If the quality of the Organization's work cannot be maintained, it's another source of risk. The members should be clearly aware of this. It's very trendy and easy to say, "we want more efficiency and therefore less staff" and at the same time to ask more to be done. This is not logical, and the Council needs to guard against it and to be consistent in its decisions.

It's also important to continue to expand the membership. Some important consumers and producers are not members. We have to understand that, for members, it's always an investment to be part of this kind of organization. To justify the investment, the generated benefits have to be tangible, broadly understood and easily communicated. There is certainly scope to expand the membership; the broader the membership base, the more we can achieve.