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28 May – 2 June 2001  
Yaoundé, Cameroon

**DECISION 4(XXX)**

**MANAGEMENT OF SUB-ACCOUNT B OF THE BALI PARTNERSHIP FUND**

The International Tropical Timber Council,

Recalling Decision 9(XXVII) on the prioritization and monitoring of actions, pre-projects and projects funded by Sub-Account B of the Bali Partnership Fund and Decision 6(XXVI) on the management of the Bali Partnership Fund and funding of actions defined by the current ITTO Action Plan;

Noting that the mechanism for prioritization and monitoring of actions, pre-projects and projects funded by Sub-Account B of the Bali Partnership Fund as was established under Decision 9(XXVII) is due for review at the Thirtieth Session of the Council;

Taking note of the report of the Inter-Sessional Working Group on Financial and Administrative Matters [CFA(IX)/7], in which the recommendation was made to form a Sub-Committee of Sub-Account B of the Bali Partnership Fund as a Working Group of the Council and be re-designated as "Panel on Sub-Account B of the Bali Partnership Fund (BPF)" and to report directly to the Council;

Also noting the recommendations made by the Committee on Finance and Administration at its Ninth Session regarding its review of the report of the Inter-Sessional Working Group on Financial and Administrative Matters;

Decides to:

1. Build upon Decisions 6(XXVI), 9(XXVII) and recommendations of the Inter-Sessional Working Group on Financial and Administrative Matters, by implementing the following mechanism:
  - (i) Establish, at each Session, a Panel on Sub-Account B of the Bali Partnership Fund (BPF) that will report directly to the Council;
  - (ii) The Panel shall be chaired by the Chairperson of the CFA, and composed of:
    - (a) three consumer member representatives that are main contributors to the Bali Partnership Fund;
    - (b) three producer member representatives, one from each geographic region; and
    - (c) the Executive Director;
  - (iii) During Council Sessions the Panel shall consider actions/activities, pre-projects and projects that are eligible for funding under Sub-Account B of the Bali Partnership Fund;
  - (iv) The Panel shall prioritize these draft decisions taking into account the "Criteria and Priorities to Finance actions/activities, pre-projects and projects under Sub-Account B of the Bali Partnership Fund" as detailed in the Annex to this Decision;

- (v) The Panel shall, in consultation with the Secretariat, take into account the need to set a funding limit (per session/per year) with regard to the allocation of funds for approved activities, pre-projects and projects in view of the availability of the limited resources under Sub-Account B of the Bali Partnership Fund. In the Panel's deliberations, the procedures established for the Special Account under Chapter VI of the ITTA, 1994 shall apply;
  - (vi) The Panel will forward its priority list, including recommended allocations to the Council for consideration; and
  - (vii) The Panel will also meet during the Council Sessions to monitor and review the management of Sub-Account B and the progress of actions, pre-projects and projects funded under this Sub-Account;
2. Requests the Consultants and the Expert Panel engaged for Activity PA/29-98 on the New ITTO Action Plan [Decision 11(XXIX)] to review the priority actions identified by the Council in Decision 8(XXV) and in the ITTO Libreville Action Plan to ensure their continued relevance in future ITTO Action Plans. The revised priority actions identified are to be utilized as the criteria by the Panel, for the determination of priority funding; and
  3. Strongly encourage Members to make contributions to the Bali Partnership Fund and in particular to its Sub-Account B.

## ANNEX

### Criteria and Priorities to Finance Actions/Activities, Pre-Projects and Projects under Sub-Account B of the Bali Partnership Fund

The Panel on Sub-Account B of the Bali Partnership Fund (BPF) shall consider and recommend non-country specific actions/activities, pre-projects and projects designed to directly assist tropical timber producing members to achieve the Objective of Article 1(d) of the ITTA, 1994 – “To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000”.

Eligible activities \* shall meet the following criteria:

- (i) Be designed and related to the implementation of those activities captured under the goals of the ITTO Action Plan that are non-country specific.
- (ii) Be of global or regional benefit.

Within eligible activities highest priority will be given to:

- (i) Activities approved in Council Decisions directly related to the promotion of sustainable forest management through one or more of the priority areas established through the Council decisions and the ITTO Action Plan \*\* as shown below:
  - To adopt a forest policy and enforce legislation,
  - To establish and secure a Permanent Forest Estate,
  - To reduce the damage done by timber harvesting to the physical and social environments and to the forest eco-system,
  - To train the work force to accelerate the use of reduced impact logging,
  - To secure the production of the optimal mix of goods and services and limit timber harvesting to the sustained yield capacity;

AND

- (ii) Approved pre-projects and projects formulated and submitted in response to the recommendation by the Council, by more than one of the Committees or a Committee;

AND

- (iii) Activities that the Panel by consensus deems urgent.

The Panel shall prioritize the eligible actions/activities, pre-projects and projects and recommend a priority list to the Council for consideration in light of the eligibility and prioritization criteria and requirements detailed above.

The Panel shall also make its recommendations taking into account the resources available in Sub-Account B of the BPF at that Session.

The Panel shall endeavor to take decisions on its recommendations on eligibility and priorities by consensus. If consensus cannot be reached, the Panel shall take decisions and make recommendations by simple majority.

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\* Activities refers to “actions/activities, pre-projects and projects”.

\*\* Priority areas are to be updated to reflect the revised priority areas adopted in new ITTO Action Plans.