



ITTO

**INTERNATIONAL TROPICAL
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DECISION 5(XXVIII)

**DEVELOPMENT OF A FRAMEWORK FOR AN AUDITING SYSTEM FOR ITTO'S CRITERIA
AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT**

The International Tropical Timber Council,

Recalling Decision 2(XXI), Decision 2(XXIII), Decision 9(XXVI) and Decision 10(XXVII) on market access opportunities for international trade in tropical timber,

Noting the concerns and comments of ITTO member countries on the issue of market access for tropical timber in the Annual Market Discussion at this Session,

Further noting the reports and recommendations on options for action by ITTO Member countries as contained in the "Review Of Progress Towards The Year 2000 Objective" by Prof. Duncan Poore and Mr. Thang Hooi Chiew [Document ITTC (XXVIII)/9] and "Comparative Study on the Auditing Systems of Sustainable Forest Management" by Mr. E.O. Nsenkyire and Dr. Markku Simula [Document ITTC (XXVIII)/6] and the role of timber certification in promoting sustainable forest management,

Recognizing the importance of market access opportunities in assisting countries to generate financial resources to help implement national policies that promote sustainable forest management,

Reaffirming the commitment of members to achieve ITTO's Year 2000 Objective through international collaboration and assistance,

Recognizing the growing market for certified timber and the need to promote and assist initiatives by members to implement ITTO's Criteria and Indicators and build capacity to assess sustainable forest management,

Aware of the need to provide guidance on various aspects of forest auditing as appropriate,

Decides to:

- 1) Develop guidelines to provide the essential elements for a framework of adequate auditing systems for sustainable forest management;
- 2) Authorize the Executive Director to engage two consultants, one from producer and the other from consumer country to prepare a Working Document based on the attached Terms of Reference;
- 3) Request the Executive Director to convene an Expert Panel comprising of three producer and three consumer member countries and one representative each from conservation non-governmental and timber trade and industry organizations to consider the Consultants' report and present its findings at the Twenty-ninth Session of Council; and
- 4) Authorize the Executive Director to arrange for financing the consultancy to prepare the Working Document and convening of the Expert Panel from the Special Account/Bali Partnership Fund.

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TERMS OF REFERENCE TO PREPARE ASSESSMENT PROCEDURES

In developing the guidelines to provide elements for a framework of auditing systems for sustainable forest management to assist member countries formulate national systems based on local conditions, the consultants will address the following aspects:

- a) development of a framework and criteria for auditing and standard setting processes in specific country conditions;
- b) development of audit procedures;
- c) principles of assessment;
- d) institutional and organizational arrangements for such auditing systems including those for internal auditing by forestry agencies (public and private) and those for external auditing to be undertaken for assessing progress towards sustainable forest management and which may be used for verification of national standards; and
- e) human resources development to implement auditing systems.

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