

# Interview with Stephanie Caswell

**Stephanie Caswell attended her first Council session as part of the United States delegation in 1987 and then attended all but two subsequent sessions for the next ten years. She served as Council chair in 1998, and she was a member of the United States negotiating teams for the International Tropical Timber Agreement [ITTA] 1994 and the ITTA 2006**



Photo: Earth Negotiations Bulletin

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

When I became chair we had just lost both the producer and consumer spokespersons. That threw the Council into confusion, and it was some time before the caucuses could pull themselves together and focus on the work. Another issue was the administrative budget: it was very tight and the Council needed to find ways to reduce costs. The executive director, Dr Freezailah, had also announced he would be leaving after 12 years, which meant we needed to establish procedures for electing a new executive director, and this became quite controversial. Those were the internal challenges. More broadly, delegations and the Council were preoccupied with the 1997 Asian financial crisis and its impacts on the tropical timber market, as well as with the disastrous peat swamp fires that were occurring in Indonesia.

## **Describe the atmosphere in the Council at that time.**

The tension surrounding the negotiation of the ITTA 1994 was still being felt. During the negotiation, producers and consumers were polarized on the issue of transforming the ITTO into an “all timber” agreement. The producers strongly advocated this, while the consumers were opposed, partly because the non-tropical timber trade, which accounted for 90% of trade at that time, didn’t need a commodity agreement or a source of project financing, and partly because an all-timber agreement would likely marginalize tropical timber producers given their small trade share. Interestingly, the environmental non-governmental organizations [NGOs], which were very active in ITTO in those days, favoured an all-timber

agreement, and when it didn’t succeed, they very publicly left the Council, not to return for many years. So the highly adversarial debate over an all-timber agreement created a bad atmosphere between producers and consumers, and some of that still lingered in 1997 and 1998.

## **Describe the major achievements of the Council under your leadership.**

There were several positive developments. The Council adopted the first ITTO mission statement, as well as the Libreville Action Plan. We agreed on the first ITTO annual work programme (for 1999) as a way to operationalize the Action Plan and identify priorities for the Council, committees and Secretariat. We set the stage for ITTO leadership in the trade-related work of the Intergovernmental Forum on Forests, which later became the United Nations Forum on Forests [UNFF]. After much debate we were able to adopt transparent procedures for appointing a new executive director, which also limited the tenure to two four-year terms. We launched a study on ways to address the downturn in the tropical timber market, as well as technical missions and consultations on the fires in Southeast Asia. But perhaps most significantly, the Council adopted ITTO’s first comprehensive set of criteria and indicators for the sustainable management of natural tropical forests [C&I], which built on ITTO’s pioneering work of 1992 and the work of the pan-European and Montreal criteria and indicators processes.

There were also significant administrative achievements. The Council established guidelines for project submission and appraisal and procedures for committee operations which significantly streamlined the work of the Secretariat and committees. The committees had been so

overburdened, especially with the review of poor-quality projects, that they typically met in parallel in late-night sessions. This was hard on everyone, especially small delegations, so the streamlining of procedures was quite important. The Council also approved increased funding to assist producers with project formulation and established a common format for reporting by executing agencies. In addition, we approved the electronic distribution of ITTO documents to members—an innovation at the time—and greatly reduced the number and types of documents that had to be translated and routinely distributed to members.

I introduced a few practices to try to improve transparency and the producer–consumer dynamic. I arranged for the first informal joint caucus session. I encouraged the producer vice-chair to be more active and visible, and had him sit at the podium during Council sessions, another first. I also made the Chairman’s drafting group open-ended, where before it had comprised a small number of “key” countries representing producer and consumer interests.

### What were the impacts of those achievements?

Without doubt, the suite of administrative decisions resulted in immediate and substantial cost-savings and significantly increased the efficiency of the Organization, and over time they catalysed further improvements and cost-saving measures. In terms of substance, I think that ITTO’s leadership role on C&I, including the decision we took in 1998 approving the first comprehensive C&I set, has arguably been one of the Organization’s greatest policy achievements and one that has had a very real impact on the management of tropical forests.

### What are the Council’s major strengths?

ITTO is special both as a commodity agreement and compared with UN bodies. Unlike other commodity agreements, ITTO’s mandate goes well beyond the trade in tropical timber. Its membership includes all major actors, but it’s still small enough and focused enough to actually get things done, which is not always the case in the UN system. The policy/programme/project interface of ITTO’s work is very important, and something that is not seen in many organizations. The Market Information Service, which has evolved over time, is unique. The introduction of thematic programmes holds great promise. The potential inherent in the Trade Advisory Group [TAG] and the Civil Society Advisory Group [CSAG] is a clear strength. I’m not sure that this potential has been fully realized, but having the advisory groups in the first place is a very positive feature of the Organization.

Also unique is the ITTO Fellowship Programme. My experience with the Programme began in 1997 when I chaired the Fellowship Selection Panel. I was truly impressed with the vigour of the Programme, the

quality of the applications, the commitment of the Secretariat staff, and generally with how much could be done to support deserving candidates with very little financial investment. I was so impressed that the United States made a first contribution of US\$25 000 to the Programme—a modest amount but one that has grown through regular contributions over the years to total well above US\$1 million. In terms of costs and benefits, the Fellowship Programme may be the most productive of ITTO’s operations, a real investment in the future, and more should be done to showcase its value and accomplishments.



Photo: *Earth Negotiations Bulletin*

### What are its weaknesses?

The producer and consumer caucuses may have outlived their usefulness. The tropical timber world is no longer neatly divided into producers and consumers. A number of producers are net importers and therefore really “consumers”. Also, many producers and consumers have close ties as tropical timber trading partners—there can be more shared interests “across the aisle” than within a caucus. Then there’s the issue of transparency. The caucus structure is opaque; neither group understands the nature of the internal discussions within the other group—all they hear are the outcomes—and this is counterproductive. Since the caucuses are not enshrined in the ITTA, the Council can dispense with them at any time. The merit of phasing out the caucuses is something that should be looked at. We all recognize that producers and consumers have—and will continue to have—certain different interests, but that does not mean that a dichotomy should be fostered. The Organization might benefit greatly from a more bipartisan and open approach to revealing the range of different interests and to developing consensus.

Another weakness relates to the technical committees—Reforestation and Forest Management; Forest Industry; and Economics, Statistics and Markets. Today, the issues of forest management, industry and markets are often closely interrelated and need to be looked at in an integrated way—from the resource base, through the supply chain,



to the end market. Good examples of cross-cutting issues are certification and legal verification but there are many others. This interconnectedness was one of the reasons for establishing ITTO thematic programmes, which are meant to foster a coherent approach. The old committee structure works against this. Despite joint meetings, the Industry and Market committees still manage to function largely separately, with sequential discussion of many agenda items. The potential inherent in the joint committee to look at policies and projects in an integrated way is untapped. The negotiators of the ITTA 2006 missed the chance to merge the three committees into a single subsidiary body, but since the Council has authority to decide how the committees function, there's still an opportunity to better integrate committee work by, for example, making significantly greater use of the joint committee and synthesized reporting to Council.

Looking beyond the Council, ITTO still has a relatively low profile in the international community and among national and international donor agencies dealing with sustainable forest management. As a result, there is a lack of appreciation for and understanding of the potential and scope of the Organization. This is a weakness in terms of generating financial support for ITTO, engaging the NGO community, and ITTO's participation in global debates as an equal player.

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

Following up on the last point, I would like to see ITTO more outward-looking and more mainstreamed into the broader forest policy and sustainable development world. Next year, the UN will decide on the post-2015 development agenda, including a set of sustainable development goals [SDGs] and targets, and the UNFF will decide on the future “international arrangement on forests”. These will be watershed decisions and ITTO should have—and be seen to have—an important role in advancing their outcomes. I would like to see the Council consider how ITTO can contribute, within its mandate, to achieving the SDGs, including as related to poverty eradication, energy, water, economic growth and sustainable consumption and production, as well as to achieving the UNFF's global objectives on forests.

This would be an opportunity for the Council and the Organization as a whole to change perceptions that ITTO is only a trade organization when in fact it has done a great deal—and hopefully will do more—for tropical forests broadly and the communities that depend on them. During the negotiation of the ITTA 2006 I tried very hard to get the name of the Organization changed to the International Tropical *Forest* Organization to make clear to all—including potential donors—the breadth of ITTO's work. Such a cosmetic change wouldn't have affected the



**Looking elsewhere:** Stephanie Caswell thinks the Council should expand ITTO's approach to project financing. *Photo: H.O. Ma*

Agreement (or its name) in any way, but it would have gone a long way to attracting interest in and awareness of ITTO, including from a broader base of donors.

I would also like to see the Council find ways to reinvigorate the participation of NGOs and the trade in ITTO's work. In the early years, these stakeholders were a major presence at Council sessions. While that made for some heated discussions, it also made for a very vibrant organization. My sense today is that TAG and CSAG are not fully engaged as partners, and more could be done to bring them and their members fully into the process.

Finally, I would like to see the Council expand ITTO's approach to project financing. The level of voluntary contributions has decreased in recent years, and donor funding to ITTO may never fully meet expectations, whether it's through thematic programmes or the regular project account. So ITTO might consider playing an active role in helping producer members develop and submit successful project proposals to other organizations, particularly the Global Environment Facility [GEF]. The GEF is a huge potential source of forest financing, not just under the focal areas on biodiversity and climate change, but also under the Strategy for Sustainable Forest Management/REDD+ established in 2010 and heavily replenished in 2014. But GEF proposals can be challenging to formulate, may require counterpart financing, and need to be submitted through GEF focal points. ITTO could leverage significant additional funding for producers by helping forest administrations develop project proposals for the GEF and other organizations and to engage successfully in national processes for selecting project submissions.