



**ITTO**

**INTERNATIONAL TROPICAL  
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THIRTY-FOURTH SESSION  
12-17 May 2003  
Panama City, Panama

**DECISION 6(XXXIV)**

**NEGOTIATING A SUCCESSOR AGREEMENT TO THE ITTA, 1994**

The International Tropical Timber Council,

Recalling Decision 8(XXXIII) on Preparations for Negotiating a Successor Agreement to the ITTA, 1994, which approved the schedule for the Preparatory Committee (PrepCom) meetings and renegotiations on a Successor Agreement to the ITTA, 1994, the convening of a Working Group to assist the First Meeting of the PrepCom, and the budgets for convening the Working Group and the First PrepCom Meeting;

Taking Note of the Report of the Working Group for consideration by the First Meeting of the Preparatory Committee for negotiating a Successor Agreement to the ITTA, 1994 [Document ITTC(XXXIV)/7];

Also taking note of the opportunity to consider potential contributions of remuneration for environmental services to sustainable forest management and the possibility of considering them during the negotiations of a Successor Agreement to the ITTA, 1994;

Welcomes the offer of the Secretary-General of UNCTAD to provide the forum for the negotiations of a Successor Agreement to the ITTA, 1994, and the proposed date of the Conference (first part) to negotiate a successor agreement;

Recognizing the need to consider planning for a Successor Agreement to the ITTA, 1994, in order to facilitate an orderly transition to a new Agreement;

Decides to:

1. Request the PrepCom to take measures to implement inter-sessional work as needed, including extending the mandate of the Working Group, if necessary;
2. Request the Executive Director to engage Consultants to prepare an overall background paper that summarizes experiences of implementation of the current ITTA, 1994;
3. Request the Executive Director to engage Consultants to prepare an overall background paper that will take stock of the most relevant studies available regarding internationally traded and potentially tradable environmental services, in accordance with the Terms of Reference in Annex A, for the purpose of informing Council and the PrepCom;

4. Request the Executive Director to advise the Secretary General of the United Nations Conference on Trade and Development in order to arrange for the United Nations Conference (first part) for the negotiation of a Successor Agreement to the ITTA, 1994, in Geneva, Switzerland, from Monday, 26 to Friday, 30 July 2004;
5. Convene the Thirty-sixth Council Session in Switzerland, from Tuesday, 20 to Friday 23 July 2004, and the Thirty-seventh Council Session in Yokohama, Japan, from Monday, 13 to Saturday, 18 December 2004;
6. Authorize the Executive Director to seek voluntary contributions from Member Countries to fund the cost of:
  - (a) any inter-sessional work, if necessary as may be decided by the First PrepCom, in the amount not exceeding US\$80,000;
  - (b) the Second PrepCom Meeting, including financial assistance for attendance of Producer Members as needed, in the amount not exceeding US\$180,000;
  - (c) engaging two Consultants to prepare an overall background paper that summarizes experiences of implementation of the current ITTA, 1994, in the amount not exceeding US\$50,000;
  - (d) engaging two Consultants to prepare an overall background paper that will take stock of the most relevant studies available regarding internationally traded and potentially tradable environmental services, in the amount not exceeding US\$45,000; and
  - (e) supporting the participation in the United Nations Conference (first part), of participants from developing member countries of the ITTO, including financial assistance for attendance of Producer Members as needed and of up to five members of the CSAG and up to five members of the TAG, in the amount not exceeding US\$210,000.
7. If sufficient contributions are not received, the Executive Director is requested to use funds from the Working Capital Account to cover the budget as specified in 6(a), (b) and (e) above.

## ANNEX

### Terms of Reference for Environmental Services Study

The paper should set out the main issues of relevance to tropical forests for various environmental services. It should give an overview of the current status and future potential of markets and trade of environmental services provided by tropical forests. The paper should:

- set out the conventional wisdom, contemporary understanding and views, as well as uncertainties that still exist in the field of marketability of environmental services;
- identify markets in services flowing from forests, with particular reference to environmental services, and global biodiversity benefits, including their relation to tropical timber producing forests;
- explore issues, potentials and constraints of emerging environmental service markets, including *inter alia* carbon, water and bioprospecting;
- analyse environmental services internalized by forest owners/managers versus external benefits; and
- identify and describe instances where remuneration for environmental services have contributed to the economic and financial viability of sustainable forest management.

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