

ITTO

Sustaining Tropical Forests

Annual Report 2008



INTERNATIONAL TROPICAL TIMBER ORGANIZATION

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The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its 60 members represent about 80% of the world's tropical forests and 90% of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyses and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing industries at both community and industrial scales. All projects are funded by voluntary contributions, mostly from consumer member countries. Since it became operational in 1987, ITTO has funded more than 940 projects, pre-projects and activities valued at more than US\$340 million. The major donors are the governments of Japan, Switzerland, United States, Norway and the Netherlands.

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ISBN 4- 902045-57-5

Cover photo: E. Collins Ahadome (front)

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FOREWORD

The International Tropical Timber Agreement remains the only intergovernmental agreement negotiated under the auspices of the United Nations with a focus on tropical forests and timber. The ITTA, 1994 will soon be succeeded by the ITTA, 2006, which was adopted in January 2006 and was expected to enter into force in February 2008 or thereafter.

The Year 2008 was very significant to ITTO in many respects. The Organization was at a cross road in its development. It had forged a new Agreement with an expanded focus on environment, trade and development which also holds out hope for additional financial resources, thus raising the expectations of many member countries. As the Organization negotiated the transition from the ITTA, 1994 to the ITTA, 2006 it had to carry out stock taking of its operations under the ITTA, 1994 and examine future operational modalities under the ITTA, 2006. This re-ignited the debate on the issue of frequency and duration of Sessions of the Council and Committees, the functions of the Committees, financing the work of the Organization and the ITTO Project Cycle. At its Forty-third Session in November 2007 the Council through Decision 6(XLIII) decided that it would not hold its regular Session in May 2008 and, therefore, for the first time in the history of ITTO only one Council Session was held in 2008. However, the Council convened a Meeting in Accra, Ghana in place of its normal Spring Session to discuss the operational modalities of future work of the Organization.

In the Year 2008, there was also the anxiety and expectations regarding the ratification of the ITTA, 2006 and its entry into force. According to Article 39 of the ITTA, 2006, the Agreement shall enter into force definitively on 1 February 2008 or any date thereafter, if 12 Governments of producers holding at least 60 percent of the total votes of Producers and 10 Governments of consumers accounting for 60 percent of the global import volume of tropical timber in the reference year 2005

have signed the Agreement definitively or have ratified, accepted or approved it. This deadline passed without the Agreement entering into force. Subsequent deadlines with reduced conditions for the entry into force also passed without the Agreement entering into force. Although many member countries had been progressing towards the ratification of the ITTA, 2006, the slow progress in the ratification was a matter of great concern to the Organization and its members.

On the other hand, there was a renewed sense of optimism with the adoption of Decision 9(XLIV) in November 2008 to implement, on a pilot basis, Thematic Programmes in the following areas:

- Forest Law Enforcement, Governance and Trade
- Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
- Community Forest Management and Enterprises
- Trade and Market Transparency
- Industry Development and Efficiency

The approval of these Thematic Programmes and the creation of the thematic programmes sub-account have the potential to increase the Organization's funding base considerably, because it has been designed to make it easier for donors to direct contributions towards thematic areas rather than individual projects.

The issue of climate change continued to dominate the international forestry debate. In addition to convening the international forestry debate in Yokohama, Japan from 30 April to 2 May 2008, ITTO collaborated with other members of the CPF in the preparation of the Strategic Framework for Forests and Climate Change for a coordinated forestry sector response to climate change with the overall objective of providing a consensus view from the forests sector on the inclusion of forest-related climate change mitigation and adaptation measures in any post-Kyoto arrangements on climate change. There has also been a growing interest among private sector

companies and organizations to cooperate with ITTO as a way of complementing their own efforts to reduce carbon dioxide emissions from their operations with forest-related carbon offset activities, as part of their social responsibility policies. This is an area of great hope for the future of the Organization.

Reading through this year's annual report one feature which will certainly strike readers is the collaboration

between ITTO and many other international forestry related Organizations, including the FAO, CITES, IUCN, UNFF, World Bank, UNFCCC, CBD and many more. ITTO is deeply grateful to these organizations for the collaboration and looks forward to more collaboration in the future.

Emmanuel Ze Meka
Executive Director

ACRONYMS

APAFRI	Asia Pacific Association of Forestry Research Institutions
AR-CDM	Afforestation and Reforestation component of the Clean Development Mechanism of the Kyoto Protocol
ASEAN	Association of South-East Asian Nations
ATIBT	International Technical Tropical Timber Association (Association Technique Internationale des Bois Tropicaux)
ATO	African Timber Organization
CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism of the Kyoto Protocol
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
C&I	Criteria and indicators for sustainable forest management
CLI	Country-Led Initiative
CNEARC	Centre National d'Etudes Agronomiques des Régions Chaudes
COP	Conference of Parties
CPF	Collaborative Partnership on Forests
CRIWI	Research Institute of Wood Industry, Chinese Academy of Forestry
CSAG	Civil Society Advisory Group
FAO	Food and Agriculture Organization of the United Nations
FPCD	Foundation for People and Community Development Inc (PNG)
FPRDI-DOST	Forest Products Research and Development Institute-Department of Science and Technology
FRIM	Forest Research Institute Malaysia
FSC	Forest Stewardship Council
GLOMIS	Global Mangrove Information System
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IFFM	Integrated forest fire management
IISD	International Institute for Sustainable Development
INRENA	Peru National Institute for Natural Resources (<i>Instituto Nacional de Recursos Naturales</i>)
ITTA	International Tropical Timber Agreement

ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	International Union for the Conservation of Nature- World Conservation Union
MDGs	Millennium Development Goals
MINEEF	Ministry of Environment, Waters and Forests of Côte d'Ivoire
NGO	Non-Governmental Organization
NTFP	Non-Timber Forest Products
REDD	Reducing Emissions from Deforestation and Forest Degradation
SODEFOR	Societe De Development Des Forets of Côte d'Ivoire
TAG	Trade Advisory Group
TICAD	Tokyo International Conference on African Development
TFLET	Tropical Forest Law Enforcement and Trade
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UPLBCFNR	University of Philippines Los Baños-College of Forestry and Natural Resources

ITTO IN BRIEF

Mission

ITTO is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its members represent about 80% of the world's tropical forests and 90% of the global tropical timber trade.

Brief History

The International Tropical Timber Organization (ITTO) was established under the auspices of the United Nations in 1986 amidst increasing worldwide concern for the fate of tropical forests. While almost everyone was alarmed at the rate of deforestation occurring in many tropical countries, there was also considerable agreement that the tropical timber trade was one of the keys to economic development in those same countries. The reconciliation of these two seemingly disparate phenomena is ITTO's story.

ITTO's origins can be traced back to 1976 when the long series of negotiations that led to the first International Tropical Timber Agreement (ITTA) began at the fourth session of the United Nations Conference on Trade and Development (UNCTAD) as part of that organization's Programme for Commodities. The eventual outcome of these negotiations was the ITTA, 1983, which governed the Organization's work until 31 December 1996, when it was superseded by the ITTA, 1994. Negotiations for a successor to this agreement were concluded in 2006, again under the auspices of UNCTAD. The ITTA, 2006 is expected to come into force in the near future.

As the first ITTA was being negotiated in the early 1980s, concern over the fate of tropical forests was increasing and the international community was being asked to take action. By then, conservation had become at least as important a consideration in the negotiations as trade.

This was reflected in the preamble to the Agreement, in which conservation and trade were accorded equal importance. The creators of the Agreement believed that a flourishing trade in tropical timber, if based on a well-managed forest resource, could be a key to sustainable development, providing valuable foreign exchange and employment while protecting natural forests from destruction, degradation and excision.

The ITTA that eventually came into operation was no conventional commodity agreement. It was, in reality, as much an agreement for forest conservation and development as for trade. In effect, it preceded the concerns which featured in the 1987 Brundtland Report and at the Earth Summit in 1992 and its trade components were as much instruments for tropical forest conservation as ends in themselves.

The ITTA, 2006 builds on the foundations of the previous agreements, focusing on the world tropical timber economy and the sustainable management of the resource base, simultaneously encouraging the timber trade and the improved management of the forests. In addition, it contains provisions for information sharing, including non-tropical timber trade data, and allows for the consideration of non-tropical timber issues as they relate to tropical timber.

Headquarters

The Headquarters of ITTO is located in Yokohama, Japan. There are two (2) regional offices- Libreville, Gabon for the African Region and Brasilia, Brazil for the Latin American and Caribbean Regions.

COUNCIL MEETING AND SESSION

Meeting on Operational Modalities of Future Work of the International Tropical Timber Council, 9-12 June 2008, Accra, Ghana

Pursuant to its Decision 6 (XLIII) the Council convened a meeting in Accra, Ghana on 9-12 June 2008.

The Meeting was attended by ministers of forests from Cameroon, Congo and Ghana who also participated in a High-Level Ministerial Panel to discuss the

“Contribution of Forestry to Sustainable Development and Poverty Alleviation in Africa and Development Assistance Needs”.

The High-Level Ministerial Panel highlighted the following issues:

- The need to improve forest governance in Africa and the issue of deforestation;
- Involvement of local communities in forest management and equitable distribution of benefits; and



Delegates attending the Accra Meeting. Photo by ITTO.



Hon. Esther Obeng Dappah, Minister of Lands and Forestry of Ghana talking to Mr. Attah (Ghana). Photo by ITTO.



H.E. Dr Elvis Ngolle Ngolle, Minister of Forests and Wildlife of Cameroon discussing with Ms. Augusta Molnar (Rights and Resources, USA) and Mr. Stewart Maginnis (IUCN). Photo by ITTO.



H.E. Mr. Henri Djombo, Minister of Forest Economy of Republic of Congo. Photo by ITTO.

- Broadening the scope and expanding financing of sustainable forest management and the need for improved value addition in tertiary processing.

The Meeting also discussed the operational modalities of the future work of the Council including the thematic programmes, financing ITTO activities; frequency and duration of Sessions of the Council and Committees and the ITTO project cycle; Functions of the Committees under ITTA, 2006 and ITTO's future Action Plan.

The Forty-fourth Session of the Council

The Forty-fourth Session of the Council was held in Yokohama, Japan, from 3 to 8 November 2008. The Session was attended by delegates from forty-four (44) ITTO Member Countries and the European Community.

Also in attendance were thirty (30) Observers from Potential Member Countries, U. N. bodies and Specialized Agencies, Inter-governmental organizations, Non-governmental organizations and the Private Sector.

The Session was opened by the Chairperson of the Council, Ms. Katharina Kuehmayer (Austria) and was honoured with the attendance of H. E. Mr. Hiroshi Nakada, Mayor of the City of Yokohama; H. E. Dr. Elvis Ngolle Ngolle, Minister of Forestry and Wildlife of Cameroon, and H. E. Mr. Emile Doumba, Minister of Forest Economy, Water, Fisheries and National Parks of Gabon.



Delegates at the Forty-fourth Session of the International Tropical Timber Council.
Photo: IISD/Earth Negotiations Bulletin



Ms. Katharina Kuehmayer (Austria), Chairperson of ITTC (2008). Photo: IISD/Earth Negotiations Bulletin



Mr. Hiroshi Nakada, Mayor of the City of Yokohama. Photo: IISD/Earth Negotiations Bulletin



H. E. Dr. Elvis Ngolle Ngolle, Minister of Forestry and Wildlife of Cameroon. Photo: IISD/Earth Negotiations Bulletin



H. E. Mr. Emile Doumba, Minister of Forest Economy, Water, Fisheries and National Parks of Gabon. Photo: IISD/Earth Negotiations Bulletin



Delegates at the Forty-fourth Session of the International Tropical Timber Council. Photo: IISD/Earth Negotiations Bulletin



Ms. Katharina Kuehmayer, ITTC-44 Chair congratulates Amb. Michael Maue, Papua New Guinea on his nomination as Chairperson for 2009. Photo: IISD/Earth Negotiations Bulletin

The Council through Decision 9(XLIV) decided to implement, on a pilot basis, Thematic Programmes in the following areas:

- a. Forest Law Enforcement, Governance and Trade
- b. Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
- c. Community Forest Management and Enterprises
- d. Trade and Market Transparency
- e. Industry Development and Efficiency

The Council also considered other policy related issues including:

- (i) Enhancing cooperation between ITTO and CITES;
- (ii) Civil Society and Private Sector Partnership for Sustainable Forest Management;
- (iii) Development in the UNFCCC Regarding Forests and their Potential Implications for Tropical Forests and the World Tropical Timber Economy;
- (iv) Promotion of Trade in tropical timber and timber products from sustainably managed and legally harvested sources;
- (v) Promotion of improvement in forest law enforcement;
- (vi) Supporting forest governance and decentralization in Africa;
- (vii) Strengthening policies and opportunities for forest investment
- (viii) In cooperation with relevant organizations, continued to study the implications of climate change for tropical forests and the contribution of tropical forests to the mitigation of the effects of climate change;
- (ix) Continued to provide for ITTO's cooperation and consultation with the Collaborative Partnership on Forests (CPF) and support for the United Nations Forum on Forests and other international and regional organizations, institutions and initiatives;
- (x) Continued to review progress made by Member countries towards achieving the ITTO Objective 2000
- (xi) Revision of the ITTO Project Cycle Manuals and Guidelines;
- (xii) ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber

Production Forests; and
(xiii) The ITTO Action Plan 2008-2011 Transitional Period.

Statement by the Executive Director

The Executive Director, Mr. Emmanuel Ze Meka welcomed delegates to the Forty-fourth Session of the Council. He acknowledged with gratitude and appreciation the participation of H.E. Mr. Emile Doumba, Minister of Forest Economy, Water, Fisheries and National Parks of Gabon, H.E. Dr. Elvis Ngolle Ngolle, Minister of Forests and Wildlife of Cameroon, H.E. Mr. Hiroshi Nakada, Mayor of the City of Yokohama, Mr. Kunio Naitou, Director-General of the Forestry Agency of Japan and Prof. Don Koo Lee, President of IUFRO. On behalf of the Council, Mr. Ze Meka expressed his deep appreciation to the Mayor of the City of Yokohama for his personal support to ITTO as well as the general support from the City. He noted that under the able leadership of H.E. Mr. Hiroshi Nakada, the relationship between ITTO and the City of Yokohama had become even stronger. He recalled the invitation by the City Council and his subsequent address to the Special Session of the City Council in December 2007 which provided him an opportunity to explain the work of ITTO thereby opening up new areas of collaboration between ITTO and the City of Yokohama.

Mr. Ze Meka mentioned the issue of environmental education for children, the participation of ITTO in TICAD IV, hosted by the City of Yokohama in May 2008 and the participation and invaluable contribution made by the City of Yokohama to the International Expert Meeting on addressing Climate Change through the Sustainable Management of Tropical Forests, which was convened by ITTO, in cooperation with the Governments of Japan, Switzerland and Norway in April 2008, as concrete areas of collaboration between ITTO and the City of Yokohama. Mr. Ze Meka referred to Council Decision 6(XLIII) which authorized the convening of an intersessional meeting on "Operational Modalities of Future Work of the International Tropical Timber Council" in Accra, Ghana in June 2008, and also made provisions for the maintenance of the spring project cycle and the approval of projects through a

time-bound, electronic no objection procedure. In his assessment, the experiment was conducted successfully and he called on the Council to learn from the experience in order to improve communication among Members and intensify exchange of views during inter-sessional periods, irrespective of the frequency of the Sessions. The Executive Director highlighted the implementation status of some of the activities under the Biennial Work Programme 2008-2009. He informed the Council that the Secretariat had been vigorously pursuing cooperation with United Nations organizations and other members of the Collaborative Partnership on Forests (CPF).

He cited the participation of ITTO in the 13th Conference of Parties of the UN Framework Convention on Climate Change, UNFCCC convened in Bali, Indonesia in December 2007 and the hosting of two side-events by ITTO during that meeting. Other meetings cited by the Executive Director were the 9th Conference of the Parties to the Convention on Biodiversity (CBD), convened in Bonn, Germany in May 2008; the IUCN World Conservation Congress in Barcelona, Spain; the UNFF Advisory Group on Finance and the CPF Strategic Dialogue held on 14-15 February 2008 in Bonn, Germany; two country-led initiatives organized in preparation for the 8th meeting of the UNFF which were convened in Durban, South Africa and Paramaribo, Suriname.

Mr. Ze Meka also reported to the Council on ITTO's continued collaboration with CITES, including actively participating in several meetings of CITES and implementing the capacity-building programme introduced under the 2006-2007 Biennial Work Programme funded by the European Union, USA and other donors with the objective of improving the management of CITES listed tropical timber species in all the range states covered by the programme, with activities underway in Cameroon, Congo, Democratic Republic of Congo,

Indonesia, Malaysia, Bolivia, Peru, and Brazil.

The Executive Director reported to the Council on ITTO's participation and contribution to the Fourth Tokyo International Conference on African Development, (TICAD IV). He stated that the Organization seized the opportunity presented by the Conference to inform participants about the Organization's contribution to sustainable development in Africa through the promotion of sustainable forest management and the international trade in sustainably produced timber and timber products. ITTO in cooperation with the City of Yokohama organized a commemorative tree planting ceremony during TICAD IV. On the issue of climate

change, the Executive Director informed the Council that ITTO is taking an active part in the international forestry debate on the issue. He indicated that, in addition to convening the international expert meeting on tropical forests and climate change, ITTO is collaborating with other CPF members in the preparation of a strategic framework for forests and climate change as a coordinated forest-sector response to climate change and also in the thematic discussion on forests and climate change organized by the Forests Dialogue.



Mr. Emmanuel Ze Meka, Executive Director.
Photo: IISD/Earth Negotiations Bulletin

He also informed the Council of the growing interest of the private sector to cooperate with ITTO to complement their own efforts in reducing carbon dioxide emissions from their operations through forest-related carbon offset activities as part of their corporate social responsibility policies. He cited the cases of 7 & i Holdings, a major retailing company in Japan, which had expressed interest in investing, through ITTO, US\$1 million per year in a pilot 3-year programme to conserve tropical forests, as a tangible commitment to preventing deforestation in tropical countries. Asahi-Pretech, another private enterprise had also expressed similar interest in cooperating with ITTO in the same field. Mr. Ze Meka stated that the interest by the private sector was a recognition of ITTO's

comparative advantages, the quality of its work and its ability to contribute to climate change mitigation. He urged the Council to encourage the interest being expressed by the private sector. Mr. Ze Meka reported to the Council that only sixteen Member countries had, so far, completed their ratification of the ITTA, 2006 and expressed concern about the slow pace at which countries were ratifying the ITTA, 2006, although the

new Agreement has an expanded focus on environment, trade and development and also offers hope for additional financial resources, in particular through the Thematic Programmes. In his concluding remarks, the Executive Director expressed confidence that the Forty-fourth Session of the Council would offer Members the opportunity to take landmark decisions that would shape the future of the Organization.

OFFICERS OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED COMMITTEES IN 2008

Council

Chairperson Ms. Katharina Kuehmayer (Austria)
Vice-Chairperson H. E. Amb. Michael Maue (Papua New Guinea)

Economic Information and Market Intelligence

Chairperson Ms. Michele Mire (USA)
Vice-Chairperson Ms. Siti Syaliza Mustapha (Malaysia)

Reforestation and Forest Management

Chairperson Mr. Carlos Enrique Gonzalez Vicente (Mexico)
Vice-Chairperson Mr. Hideaki Takai (Japan)

Forestry Industry

Chairperson Dr. Jürgen Blaser (Switzerland)
Vice-Chairperson Mr. James Nirmal Singh (Guyana)

Finance and Administration

Chairperson Mr. Marcel Vernooij (The Netherlands)
Vice-Chairperson Mr. Ondoua Ekotto Schadrack (Cameroon)

Spokespersons

Producers Prof. Nii Ashe Kotey (Ghana)
Consumers Dr. James Gasana (Switzerland)



Nursery of different Shorea (meranti) species for ex-situ conservation in Java, Indonesia

POLICY WORK

Development in the UNFCCC Regarding Forests and Their Potential Implications for Tropical Forests and the World Tropical Timber Economy

In 2008, the Council continued to monitor developments in the UNFCCC regarding forests and their potential implications for tropical forests and world tropical timber economy.

At its Forty-fourth Session in Yokohama, Japan, a report on discussions in the UNFCCC regarding reducing emissions from forest degradation and deforestation and implications for tropical forests and tropical timber producers was presented by Dr. Jürgen Blaser (Switzerland).

The report covered the following areas:

- ITTO's mandate and its relation to the climate change agenda;
- General overview of tropical forests and climate change;
- General overview of the international institutional setting;
- Carbon markets; and
- The role of ITTO in the evolving forest and climate change agenda.

The report made the following recommendations to ITTO:

- Address the evolving agenda of sustainable forest management of tropical forests in the wider context of global climate change;
- Promote three (3) field actions in the areas of development studies, capacity building and knowledge management and information sharing; and
- Develop a thematic programme on REDD, forest restoration and enhancement of ecosystem services.



Dr. Jürgen Blaser (Switzerland).
Photo: IISD/Earth Negotiations Bulletin

Enhancing Cooperation between ITTO and CITES

In 2008, ITTO continued to implement a large capacity building program to assist members to meet CITES-listing requirements for tropical timber species under the 2008/09 Biennial Work Program. This program, carried out in collaboration with the CITES Secretariat and primarily funded by a grant from the European Community and other donors including USA, Japan, Norway and New Zealand, provided for numerous activities to improve management and control of three tropical timber species (*Pericopsis elata*, *Gonystylus* spp. and *Swietenia macrophylla*) listed in CITES Appendix II in several producer countries of Africa, Asia and Latin America.

Regional workshops to develop common management and control strategies for African and Latin/Central American countries implementing CITES listings for *P. elata* and *S. macrophylla* were held in Kribi, Cameroon and Cancun, Mexico in 2008. The workshop in Kribi was attended by 30 participants from Central and West African countries. The Mexico meeting also brought together 40 participants from range states as well as importers and NGOs.

Promotion of Trade in Tropical Timber and Timber Products from Sustainably Managed and Legally Harvested Sources

In 2008, the Council funded a pilot programme to implement a nationwide monitoring system for logs and processed forest products in Côte d'Ivoire. The stakeholders in the programme were MINEEF, SGS, Helveta, partner companies and a national expert in forest product monitoring to critically assess project progress. The new system would help to secure all information and data on each log entering the system in a credible and readily accessible form.

The lessons to be drawn from the pilot project were:

- Costs of equipment (PDA) had to be reduced;
- Features and functions of the software should be improved;
- Training should be for a longer period; and
- Duration of the pilot project should be longer than six months;

The report made the following recommendations:

- SGS/HELVETA should make the digital forest product monitoring system more user friendly and revise the costs of the system downwards;
- Economic Operators of the Timber Industry should be responsive to new international market requirements and to anticipate in the establishment of a tracking system for processed products;
- ITTO should undertake the second phase involving pre-extension work for 1 or 2 years with volunteer operators, including training, bar code development and the development of localized software; and
- Government of Côte d'Ivoire should take tax incentive measures to encourage operators to initiate the implementation of the system.

The programme recommended that the Government of Côte d'Ivoire should take tax incentive measures to encourage operators to initiate the implementation of the system.

Promotion of Improvement in Forest Law Enforcement

ITTO in collaboration with FAO in 2008 continued to



An operator using a PDA to record data on a log.

disseminate and promote the use of "Best Practices for Improving Law Enforcement in the Forest Sector". A workshop was held in Accra, Ghana from 15-17 July 2008. Participants came from 9 West African countries (Benin, Côte d'Ivoire, Ghana, Guinea Bissau, Guinea, Liberia, Nigeria, Sierra Leone and Togo) and included 62 representatives from the government sector, civil society (community groups and NGOs), private companies, environmental bureaus, and regional and international organizations. The workshop was convened in collaboration with the Ministry of Lands and Forests of Ghana and the Ghana Forestry Commission.

Participants were informed through a series of presentations on the state of forest law compliance and best practices to combat illegal activities worldwide. The 9 countries of the sub-region gave comprehensive overviews on their particular situation with respect to forest law compliance. In various discussion groups, participants exchanged their experiences and prepared a number of recommendations addressed to national governments, civil society and private sector stakeholders and international organizations. Based on these deliberations, participants prepared a declaration, titled "Accra Declaration on Forest Law Compliance in West African Countries". This declaration contains an assessment of the problems of illegal logging, illegal trade and governance in the region and summarizes the jointly endorsed recommendations at political, institutional and technical levels. The report of the workshop and the Accra Declaration are available on the ITTO website.

Supporting Forest Governance and Decentralization in Africa

The issue of forest law enforcement, governance and trade continued to attract the attention of the Council. In 2008 ITTO co-sponsored, and participated in the Workshop on Forest Governance and Decentralization in Africa convened in Durban, Republic of South Africa from 8 to 11 April 2008.

The workshop was a Country-led Initiative (CLI) in support of the United Nations Forum on Forests (UNFF) and provided a platform for bringing and sharing lessons from other international and national processes on the issue of forest governance and decentralization in Africa. Some of the recommendations to countries were:

- Build in continual self-monitoring, third party monitoring and evaluation systems to improve forest governance;
- Within a given set of minimum rules or standards for forest management and use, transfer resources and decisions to local authorities and communities and/or their representatives to establish tenure and broader rights (representation, recourse, procedural rights) and ensure that such transfers and rights are recognized in the legal system.
- Facilitate the emergence of networks capable of influencing policy dialogue, such as associations of

- local authorities, unions and federations.
- Empower local authorities who are downwardly accountable to the people, in order to strengthen local democracy, citizenship, rights and responsibilities in people's relationship with the State, while supporting an active public domain.
- Develop mechanisms (such as affirmative action) to counter-balance existing inequities in gender, religion, ethnicity, caste, and class.
- Develop mechanisms for managing conflicts among diverse stakeholders, including skill building in self-analysis, facilitation, negotiation, and conflict resolution.
- Provide civic education and access to information to enable local authorities and local people to know, demand and protect their legal rights and responsibilities.
- Review formal education programs and make appropriate revisions to the technical and tertiary forestry curricula to include indigenous knowledge.

Strengthening Policies and Opportunities for Forest Investment

Since 2006, the International Tropical Timber Organization (ITTO) has been facilitating the promotion of investment in natural tropical forests at international,



Participants at the workshop on Promotion of Improvement in Forest Law Enforcement, Accra, Ghana

regional and national levels. This has been done through the convening of several fora, including:

- International Tropical Forest Investment Forum: issues and opportunities for investment in natural tropical forest (Cancun, Mexico, April 2006);
- Latin America Tropical Forest Investment Forum (Curitiba, Brazil, November 2006);
- Asia-Pacific Tropical Forest Investment Forum (Bangkok, Thailand, August 2007);
- West - Central Africa Tropical Forest Investment Forum (Accra, Ghana, August 2007); and
- Bolivia Tropical Forest Investment Forum (La Paz, Bolivia, March 2008).

The Bolivian National Forum, held in March 2008, concluded that Bolivia has good investment opportunities in the processing of value added products (furniture, doors, and flooring). The forum was followed by a series of business round tables organized by the Bolivian Chamber of Forestry (Cámara Forestal de Bolivia), which demonstrated that potential for investment exist, and it recorded business intentions for US\$27.6 million.

Conclusions, recommendations and presentations of the forum are available on the ITTO website <http://www.itto.int>.

While these fora have been planting a seed in the different countries and regions, it is important to recall that financing Sustainable Forest Management (SFM) is a participatory process that imply dialogue, negotiation, and agreement among the different stakeholders involved, taking into account the multi-functionality of the forest ecosystems, the cultural diversity of their inhabitants, and national policies in order to develop the means for economic well-being and market competitiveness.

Implications of Climate Change for Tropical Forests and the Contribution of Tropical Forests to the Mitigation of the Effects of Climate Change

In 2008, the Council continued to monitor the implications of climate change for tropical forests and organized an international expert Meeting on addressing climate change through sustainable management of tropical forests in Yokohama from 30 April – 2 May 2008. Participants at the meeting discussed existing and possible schemes for reduced emissions from deforestation and forest degradation (REDD), reviewed other mitigation options in the forest sector, and examined the need to assist the forest sector to adapt to climate change. The meeting generated recommendations for ITTO, national governments, and members of the Collaborative Partnership on Forests (CPF) and other relevant



Participants at the Climate Change Conference in Yokohama. Photo by ITTO.

organizations. Some of the recommendations were:

Recommendations for ITTO:

- Study the implications of climate change for sustainable forest management in the tropics.
- Develop guidelines for climate change mitigation and adaptation options in tropical forests and for accounting for carbon in forest management plans and ITTO projects,
- Update the ITTO Criteria and Indicators of Sustainable Forest Management in Tropical Forests to reflect the current state of knowledge on climate change.
- Analyze the possibility of introducing the concept of forest restoration to the post-2012 climate change negotiation process within the UNFCCC.

Recommendations for national governments:

- Increase awareness among all stakeholders, including policy-makers, of the importance of forest-based mitigation and adaptation options in national responses to climate change.
- Promote community-based forest enterprises as a flexible strategy for assisting local people to adapt to climate change.
- Support the involvement of civil society, communities and other relevant stakeholders in national policies and actions on forest-based climate change mitigation and adaptation.
- Develop public awareness programmes on the important and dynamic relationship between forests and climate change.
- Develop policies and guidelines to promote sustainable wood-based biofuels in a way that does not jeopardize food security and is consistent with the principles of sustainable forest management.

ITTO's Cooperation and Consultations with the Collaborative Partnership on Forests (CPF) and Support for the United Nations Forum on Forests and Other International and Regional Organizations, Institutions and Initiatives

ITTO continued its active participation in the CPF work in support of the UNFF and in enhancing cooperation and coordination including the formulation of the CPF Strategic Framework on Forests and Climate Change

and attending several CPF meetings held in 2008.

ITTO co-sponsored and participated in the Paramaribo Dialogue on Financing for Sustainable Forest Management, a Country-led Initiative in support of the UNFF, held in Paramaribo, Republic of Suriname from 8 to 12 September 2008. The outcome of the dialogue would be presented at UNFF 8 to be held at the United Nations Headquarters, New York from 20 April to 1 May 2009.

The objective of the Paramaribo Dialogue was to identify opportunities to significantly enhance financing for sustainable forest management. The meeting brought together finance and forest experts from around the world, shared experiences on mobilizing forest funding and generating revenues, identified existing and emerging public and private financing sources, and examined the relationship between forest financing and forest-related governance and enabling environments for investment.

The meeting also explored models, strategies and institutional arrangements for increased financing through such means as bilateral and multilateral public funding mechanisms, debt reduction, payments for ecosystem services (such as water and carbon), private sector commercial investment and private philanthropy. It was attended by 227 participants including international experts from all regions of the world, from regional and international organizations, non-governmental organizations, private sector, philanthropic organizations and major group organizations.

Revision of the ITTO Project Cycle Manuals and Guidelines

At its Forty-fourth Session held in Yokohama in November 2008, the Council through its Decision 5(XLIV) approved revised manuals and guidelines to improve and strengthen the ITTO Project Cycle.

The set of Manuals and Guidelines comprised:

- Manual for Project Formulation 3rd Edition;
- Software Tools to Support Project Formulation;
- Manual for Project Monitoring, Review, Reporting and Evaluation 3rd Edition;
- Manual on Standard Operating Procedures for the

- Project Cycle;
- Revised Guidelines for the Selection and Employment of Consultants, Procurements and Payments of Goods and Services 2nd Edition.

Available for download in English, French and Spanish at <http://www.itto.int/en/projects/>

ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests

The International Tropical Timber Council first adopted Guidelines on the Conservation of Biological Diversity in Tropical Production Forests in 1993, at a time of intense international debate on tropical forest conservation and use. Much has happened since – in international policy and dialogue, in public awareness, and in the forest. In 2005, the Council decided that the guidelines needed updating to take into account new developments in conservation and sustainable forest management.

At its Forty-fourth Session convened in Yokohama in November 2008, through Decision 6(XLIV), the Council adopted a new ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests which had been produced jointly by ITTO and IUCN to replace those 1993 Guidelines.

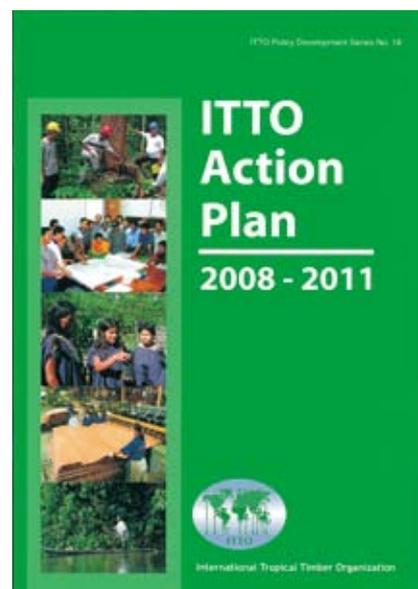
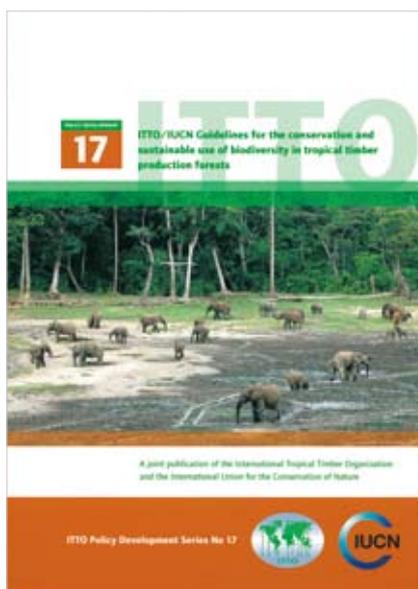
The Council encouraged Members to adapt and make use of the Guidelines wherever appropriate in their work, including in ITTO project proposals and reporting.

Available for download in English, French and Spanish at http://www.itto.int/en/policypapers_guidelines/

The ITTO Action Plan 2008-2011 Transitional Period

At the Forty-fourth Session of the Council held in November 2008 in Yokohama, Japan, the Council, through its Decision 4(XLIV) approved the new Action Plan. The Action Plan provides clear and concise guidance on the overall direction of the Organization, in terms of both policy initiatives and project activities to maximize their impact in achieving ITTO's objectives. This Action Plan covers a period spanning the extension of the International Tropical Timber Agreement (ITTA), 1994 and the entry into force of the ITTA, 2006. It builds on and updates the main elements of the ITTO's Yokohama Action Plan and also emerging issues which have taken place in the intervening years.

Available for download in English, French and Spanish at http://www.itto.int/en/policypapers_guidelines/



ITTO SPONSORED EVENTS IN 2008

Tokyo International Conference on African Development, 28-30 May 2008, Yokohama, Japan

The theme of the conference was "Towards a Vibrant Africa: Continent of Hope and Opportunity."

The objective of TICAD IV was to mobilize knowledge and resources of the international community in the core areas of:

- Boosting Africa's Economic Growth;
- Ensuring Human Security (including achieving the MDGs and consolidation of peace; and
- Addressing environment/climate change issues.

In collaboration with the City of Yokohama, ITTO also organized a commemorative tree planting ceremony

as part of the Official activities during TICAD IV and mounted an exhibition booth at the TICAD IV African fair to exhibit ITTO's work and samples of tropical wood and wooden products from Africa.



Tree Planting Ceremony during TICAD IV. Photo by ITTO.



The Second “D”: Addressing Forest Degradation with Sustainable Forest Management ITTO/IUCN/FAO side event at Forest Day 2, 6 December 2008, Poznan, Poland

ITTO, IUCN and FAO in collaboration with the Convention on Biological Diversity Secretariat, Intercooperation (Switzerland) and Tropenbos (the Netherlands) hosted a side-event on Forest Day 2 of COP 14 of the UNFCCC in Poznan, Poland. The objective of the side-event was to send a clear message to the climate change community that the restoration of degraded forests through landscape-scale planning, the wide involvement of stakeholders, and sustainable forest management was critical for successful climate change mitigation, particularly REDD. Key questions addressed at the side-event included:

- Why sustainable forest management and forest landscape restoration key approaches for reducing emissions?
- Synergies to be achieved between climate change mitigation, food security and sustainable livelihoods at a forest landscape level;
- How to minimize REDD investment risks through ecosystem stability and livelihood improvements;
- How experiences with forest landscape restoration could help reduce uncertainty and simplify complex REDD monitoring in degraded forests?
- How inter-sectoral linkages could be forged between forests and REDD-related climate change strategies?



The Second “D”: Addressing Forest Degradation with Sustainable Forest Management

- The challenges for obtaining acceptance by negotiators of forest landscape restoration and sustainable forest management as climate change mitigation strategies.

Expert Workshop on Sustainable Management of Afrormosia (*Pericopsis elata*) 2-4 April 2008, Kribi, Cameroon

ITTO and the CITES secretariat convened a regional expert workshop on the sustainable management of afrormosia (*Pericopsis elata*) in Kribi, Cameroon on 2-4 April 2008 to develop a participatory action plan to ensure that international trade in afrormosia (*Pericopsis elata*) is consistent with its sustainable management and conservation in Africa. Afrormosia is listed in CITES Appendix II and is used in furniture making, interior and exterior work, flooring and boat-building. The workshop involved over 30 participants from all the main range states in Central and West Africa as well as importing countries. Representatives of NGOs, timber trade interests and international organizations also participated. The action plan agreed by the workshop included five thematic areas:

- Building capacity of exporting and importing countries on implementation of CITES.
- Building capacity of exporting and importing countries to manage *P. elata* sustainably.
- Improving the ecological and silvicultural knowledge of *P. elata*
- Promotion of support programmes for regeneration of *P. elata*
- Governance and marketing issues relevant to *P. elata*

African Regional Workshop on Afforestation and Reforestation Projects Development under the CDM, 23-27 June 2008, Abidjan, Côte d’Ivoire

ITTO convened an African Regional Workshop on Afforestation and Reforestation Projects Development under the Clean Development Mechanism (CDM) from 23 to 27 June 2008 in Abidjan, Côte d’Ivoire with the support of the Government of Côte d’Ivoire through the SOCIETE DE DEVELOPPEMENT DES FORETS (SODEFOR).



Participants at the African Regional Workshop on Afforestation and Reforestation Projects Development under the CDM, Abidjan, Côte d'Ivoire

- Familiarized participants with the financial and investment issues relating to AR-CDM projects;
- Promoted the exchange of experiences in the development of AR-CDM projects through AR-CDM case studies;
- Enhanced the capacity of project proponents in collecting the data and information necessary for preparing the AR-CDM Project Design Document; and
- Facilitated the exchange of views on reducing emissions from deforestation and forest degradation (REDD) as well as information on the readiness mechanism planned under the Forest Carbon Partnership Facility managed by the World Bank.

The objective of the workshop was to promote the understanding of the rules and procedures of AR-CDM and encourage country level initiatives in promoting AR-CDM project activities in line with the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests. Specifically, the Workshop achieved the following:

- Enhanced participants' general knowledge of AR-CDM projects, including introduction to the rules and regulations governing AR-CDM projects, Project Design Document (PDD), baseline and monitoring methodologies development;

African Regional Forum on Promoting Wood-Based Bioenergy Using Wood Residues & Wastes 3-5 September 2008, Douala, Cameroon

A regional forum on promoting wood-based bioenergy using wood residues and wastes was held in Douala, Cameroon on 3-5 September 2008. The forum was co-sponsored by ITTO, FAO and GTZ, and hosted by the Ministry of Forest and Wildlife of Cameroon. This forum was opened by the Cameroon Minister of Forest and Wildlife and attended by around 40 participants, including government representatives from



Woodwaste and residues: sources for renewable energy. Photo taken in a wood industry in Douala, Cameroon.

Cameroon, Central African Republic, Cote d'Ivoire, Democratic Republic of the Congo, Ghana, Liberia and Togo as well as representatives from the private sector. Participants discussed the problems and strategy for solution related to the development of wood-based bioenergy in the region, especially on the use of wood residues and wastes.

The Forum recognized the following thematic issues to be recommended as a first step for project activities and a road map for wood-based bioenergy development in the African Countries:

- Improvement of wood-charcoal production from forest and industry wood residues;
- Pilot-study on available new technologies (incl. status of R&D and evaluation of technical solutions and implications when applied for structural development in tropical African Countries);
- Ways to assess forest-based resources (industry-based residues-potential and method for data collection and exchange);
- Country study on constituent elements for policy approaches strategies at country level;
- Develop a Pilot-Action plan at national or sub-regional level; and
- Pilot-project at local/regional level on technologies

to make use of wood residues from processing of secondary wood-species, from manufacture/handicraft timber products for generation of heat, power and side-products to supply and benefits the project.

Regional Training on Rattan Taxonomy and Inventory, 7-13 September 2008, Bangkok, Thailand

The taxonomy training was held in Bangkok, Thailand from 7-13 September 2008. This training was identified as one of the priority training for rattan production in eight of the ten countries of the ASEAN during the 2004 Regional Conference on Sustainable Development of Rattan in Asia held in Manila, Philippines. Despite the increasing demand for rattan, not enough attention has been given to it in national forest inventories carried out in Southeast Asia, resulting in a lack of information on the available and potential supply of this important resource.

The objectives of the training were to:

- Equip the participants on the basic knowledge of rattan taxonomy and inventory;
- Enhance skills and abilities of rattan researchers and scientists;



Training Program on Rattan Taxonomy and Resource Inventory Department of National Parks, Wildlife and Plant Conservation Training Hall Bangkok, Thailand 7 to 13 September 2008

- Promote collaboration among the participating ASEAN countries;

The workshop was sponsored by Ecosystems Research and Development Bureau – Department of Environment and Natural Resources (ERDB-DENR), International Tropical Timber Organization (ITTO); Forest Products Research and Development Institute - Department of Science and Technology (FPRDI-DOST); University of the Philippines Los Baños - College of Forestry and Natural Resources (UPLBCFNR); ASEAN Center for Biodiversity (ACB); Asia Pacific Association of Forestry Research Institutions (APAFRI); and National Parks, Wildlife and Plant Conservation Department of Thailand (formerly Royal Forest Department).



Regional Training on Rattan Taxonomy and Inventory, Bangkok, Thailand

Asia-Pacific Regional Workshop on Afforestation and Reforestation Projects Development under the CDM, 8 – 12 September 2008, Seoul, Korea

This Workshop was held within the framework of ITTO project PD 359/05 Rev. 1 (F) “Building Capacity to Develop and Implement Afforestation and Reforestation Projects under the Clean Development Mechanism (AR-CDM) of the Kyoto Protocol”. The objective of the Workshop was to promote the understanding of the rules and procedures of AR-CDM and encourage country level initiatives in promoting AR-CDM project activities in line with the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests. Specifically, the Workshop was intended to:

- Enhance participants’ knowledge of AR-CDM projects, including introduction to baseline and monitoring methodologies;
- Familiarize participants with the financial and investment issues relating to AR-CDM projects;
- Promote the exchange of experiences in the development of AR-CDM projects through case studies;
- Enhance the capacity of project proponents in preparing the AR-CDM Project Design Document; and
- Facilitate the exchange of views on reducing emissions from deforestation and forest degradation (REDD).

Participants of the workshop were from ITTO member countries in the Asia-Pacific region. It was organized with the support of the Government of the Republic of Korea through the Seoul National University.

International Workshop on Innovations in Tropical Forestry and Forest Product Industries, 22-25 September 2008, Abidjan, Côte d’Ivoire

The workshop was organized by the Ministry of Environment, Water and Forests of the Republic of Côte d’Ivoire and the International Tropical Timber Organization (ITTO) in Abidjan, from 22 to 25 September 2008. The Workshop focused on “Creation of sustainable wealth through innovative tropical timber industry for the XXI Century”, providing a forum for consultation and exchange among different actors and institutions involved in research and development



Dignitaries at the International Workshop on Innovation in Tropical Forests and Forest Product Industries, Abidjan, Côte d’Ivoire.



Plywood processing in Côte d'Ivoire. Photo by ITTO.

and innovations aiming at evaluating their status and determining appropriate measures to improve sustainable management of tropical forest resources and competitiveness of forest products.

The Workshop program covered the following themes:

- Overviews of innovations in tropical forest industries in the world in keynote presentations by eminent specialists;
- Present situation of innovation in the tropical forest subsector in ITTO member countries;
- Innovation in the valorization of tropical wood wastes;
- Innovation in the valorization of Non-Timber Forest Products (NTFP);
- Competitiveness of tropical timbers in the framework of globalization;
- Technological innovations in local community based tropical forest industry;
- The role of information technology and communication in promoting technological innovations in tropical forest and forest products industry; and
- Technological innovations in tropical forest industry for environmental services trade.

Conclusions, recommendations and presentations of the workshop are available on the ITTO website and at www.aifort2008.com.

Asia Pacific Regional Forum on Promoting Wood-Based Bioenergy Using Wood Residues and Waste, 14-17 October 2008, Jakarta, Indonesia

A regional forum on promoting woodbased bioenergy using wood residues and wastes was held in Jakarta, Indonesia on 14-17 October 2008. The forum was co-sponsored by ITTO, FAO and the Government of Indonesia, and hosted by the Ministry of Forestry of Indonesia.

This event was opened by the Indonesian Minister of Forestry and attended by around 70 participants, including government representatives from Cambodia, Fiji, Myanmar, Malaysia, Nepal, Philippines, and Thailand. Participants discussed the problems and strategy for solution related to the development of woodbased bioenergy in the region, especially on the use of wood residues and wastes.



Mr. M. S. Kaban, Minister of Forestry of Indonesia and Mr. Emmanuel Ze Meka, ITTO Executive Director being interviewed by the Press during the Asia-Pacific Regional Forum on “Promoting Wood-based bioenergy Using Wood Residues and Waste”

The structure of the programme for the Regional Forums contained four levels for deliberation, starting with key addresses on “global perspectives” on WBB;

followed by country reports on the „current status and policies in member countries to develop WBB”; the activities were then supported by lectures on technical and policy issues to prepare deliberations of the Working-Group (WG) mandated to consider elements for roadmap to develop sustainable use of wood-residues and wastes for energy generation.

International Workshop on Promotion of Rubberwood Processing Technology in the Asia-Pacific Region 8-10 December 2008, Haikou, Hainan, People’s Republic of China

The workshop was organized within the framework of ITTO/CFC project on “Demonstration of Rubberwood Processing Technology and Promotion of Sustainable Development in China and Other Asian Countries”. The aim of the workshop was to exchange the latest research results, technological advances and experiences and market information related to the opportunities and challenges of Rubberwood processing technology in the Asia Pacific Region. The workshop’s organizers were the Research Institute of Wood Industry, the Chinese Academy of Forestry (CRIWI), the Hainan Wood Industry Co. Ltd. (GBHSF), and Yunnan Natural latex Co.



Participants of the rubberwood processing technology workshop, Haikou, China. Photo by ITTO.



Ashaninka Child holding a "Sangre de grado" seedling in an ITTO Community Forestry Project in Sargento Lorenz Community, Peru

FINANCING OF PROJECTS, PRE-PROJECTS AND ACTIVITIES

ITTO's uniqueness is its strength in the field through project works in member countries. In the absence of the spring 2008 Council Session and in order to maintain the project cycle, the Council adopted a time-bound electronic no objection procedure to accept the Expert Panel Ratings for projects and pre-projects.

The total amount pledged for financing projects, pre-projects and activities was US\$ 3,359,497.57. Allocations of funds were made by Japan (\$1,939,960.00), the United States of America (\$592,004.00), Switzerland (\$413,040.00), The Netherlands (\$150,000.00), Belgium (\$118,000.00), New Zealand (\$56,295.00), Australia (\$35,000.00), Finland (\$35,198.57), and Republic of Korea (\$20,000.00).

At the Forty-fourth Session the total amount pledged for financing projects, pre-projects and activities was

US\$8,579,708.00. Allocations of funds were made by Japan (\$3,641,610.00), Norway (\$3,500,000.00), Switzerland (\$773,000.00), USA (\$585,098.00), Finland (\$60,000.00), and Republic of Korea (\$20,000.00). In addition, a total amount of US\$279,844.00 was allocated from the unearmarked funds held under the ITTO TFLET Programme.

A total amount of US\$2,010,000 from the BPF Sub-Account B [US\$1,000,000], Unearmarked Funds of the Special Account [US\$820,000] and the Working Capital Account [US\$90,000] were also allocated to finance activities approved under the Biennial Work Programme 2008-2009.

As of December 2008, ITTO had funded nine hundred and forty (940) projects, pre-projects and activities at a total cost of over US \$340 million.



SODEFOR's experts visiting a permanent sampling plot, in Bossematie Gazetted Forest, which is part of the network of plots established for the monitoring of stands dynamics for gazetted forests of Côte d'Ivoire. [PD 53/00 Rev. 3 (F)]. Photo by ITTO.



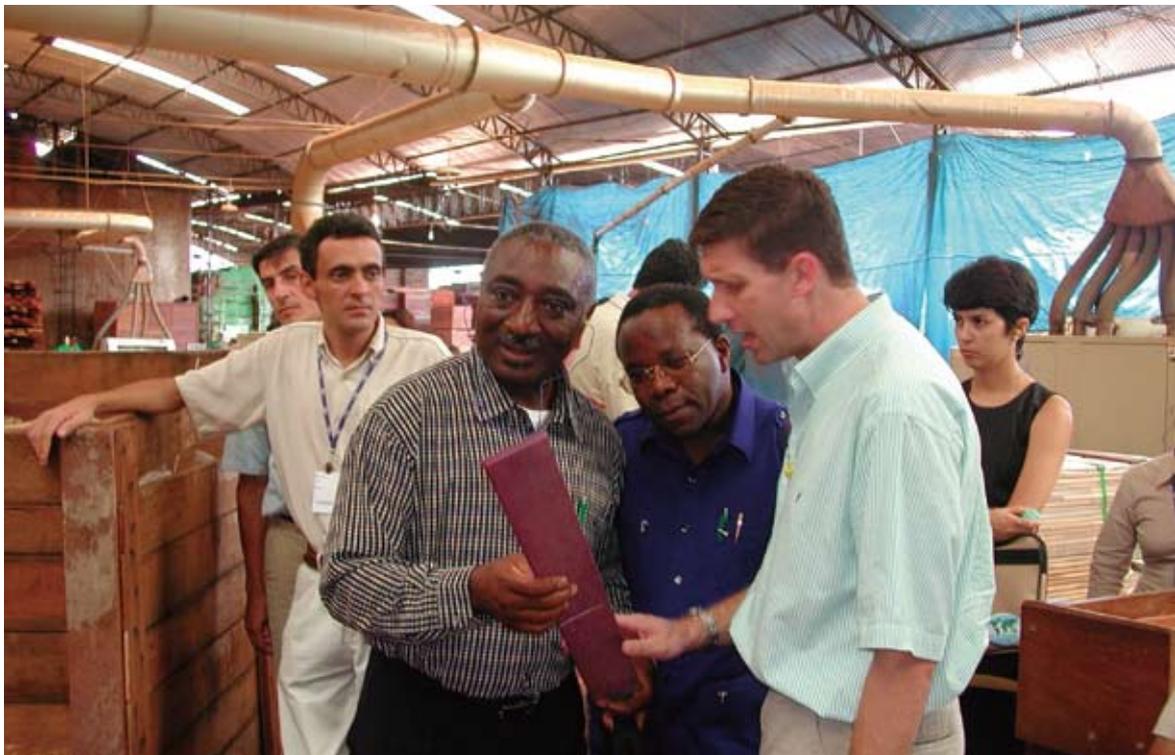
Maintenance of a nursery for the production of Teak seedlings in Abutia, Volta Region, Ghana, where women are playing a tremendous role in the rehabilitation of degraded forest lands through agro-forestry activities. [PD 48/98 Rev. 1 (F)].



School children education activity through preparation of seedlings in poly bags at an elementary school in Ciamis for rehabilitation of degraded forest lands in West Java, Indonesia, where community-based reforestation is being carried out by an ITTO project [PD 217/04 (F)].



FRIM staff conducting a survey for measuring and monitoring forest biodiversity in Peninsular Malaysia [PD165/02 (F)].



Executive Director inspecting wood packaging samples at wood industry in Belem, Brazil.

FELLOWSHIPS

ITTO offers fellowships through the Freezailah Fellowship Fund to promote human resource development and to strengthen professional expertise in member countries in tropical forestry and related disciplines.

As of December 2008, the Programme, which began in 1989, has enabled more than 1000 young and mid-career people from over 40 countries working for government, research institutions, civil society and the private sector to pursue their professional development and improve their career prospects. The total value of fellowships awarded to date amounts to about US\$5.8 million. The Programme supports mainly short-term activities, such as participation in interna-

tional conferences, training courses and study tours, but also helps people to prepare manuals and monographs and provides small grants for post-graduate study.

In the absence of its normal Spring Session the Council adopted an electronic procedure to evaluate and approve fellowship applications in spring 2008. Twenty-five (25) fellowships were approved and awarded at a total cost of US\$141,500.00, following the recommendations of the Fellowship Selection Panel. During its Forty-fourth Session the Council also awarded twenty-three (23) fellowships at a total cost of US\$149,750.00.



ITTO Fellow (Toe Aung) studies the conservation and sustainable management of mangrove ecosystems in the Ayayarwady delta in Myanmar.



ITTO fellow (Kaessemou Kone) undertakes a Ph.D research on “Contribution to improvement of teak plantations through fighting against invasive species in young forest plantation plots in Côte d’Ivoire” at the University of Cocody in Côte d’Ivoire.



Myralyn Abasolo, an ITTO fellow researches on Plant Genetic Resources Conservation and Management at the University of the Philippines , Los Baños, Philippines.



Foloranmi Babalola undertakes an M.Sc Research on “Development of Sustainable model for the rehabilitation of degraded tropical lowland rainforest” in Southwestern Nigeria at University of Ibadan, Nigeria.



ITTO fellow (Adhikari Sushma) studies Nursery Techniques of Commercially Important Timber species of Central Terai of Nepal.



Field inspection by participants of a training session for trainers in forest management auditing in Ghana

ITTO DIAGNOSTIC MISSIONS

Technical missions were dispatched to Côte d'Ivoire, Togo and Cameroon in 2008 to help identify the factors that most severely limit progress towards achieving the ITTO Objective 2000 and sustainable forest management in those countries and to formulate action plans to overcome these constraints.

The mission to Togo was led by Mr. Clarkson Oben Tanyi-Mbianyor, Other members of the Mission were Mr. Olav Bakken Jensen, international consultant, Mr. Martial Me Kouame, SODEFOR, and Mr. Brice Assi Hemou, national consultant. The technical mission was supported by two national counterparts, Messrs Richard Gbadoe Edjimodelé and Samah Komlan and the ITTO Regional Officer for Africa, Ms. Celestine Ntsame Okwo. The mission was conducted from 21 January to 2 February 2008.

The technical mission identified the following constraints to sustainable forest management in Togo:

- Difficulties to access the resource and serious irregularities in the timber processing and marketing chain;
- Inappropriate, obsolete or non-existent legal framework to support sustainable forest management;
- Lack of coordination among the various government departments and structures responsible for the forestry sector and lack of qualified personnel;
- Inappropriate agrarian and forestry practices; and
- Inadequate involvement of private operators, civil society and local communities in sustainable forest management initiatives.

The Mission to Côte d'Ivoire was led by Mr. Paul Vantomme (FAO) Other members of mission were:



Teak (*Tectona grandis*) logs being prepared for export at the port in Abidjan, Côte d'Ivoire

Ms. Angélique Loukondo, Mr. Jean-Marie Samyn and Mr. N'dri Kouakou. The Mission was supported by five national counterparts from MINEFF and SODEFOR. The Mission was conducted from 25 August to 5 September 2008. The mission met and interviewed several representatives of the Government, the private sector and non-governmental organizations and reviewed several relevant studies and reports on the forest sector of Côte d'Ivoire. The mission conducted a field visit and a preliminary validation and reporting workshop. The report indicated that the rapid reduction of the forest cover was a major environmental problem for Côte d'Ivoire. The natural forest covers barely 10% of the national territory and the annual rate of deforestation estimated at 300,000 ha per annum during the last decade.

The mission identified the following constraints to sustainable forest management:

- Impact of the national crisis on the political and social context;
- The lack of political commitment;

- A complex and hardly efficient policy, legal and institutional framework;
- Lack of capacity to protect and implement sustainable forest management in gazetted forests;
- Training and research sector in disarray;
- Alarming rate of natural forest degradation in areas outside the permanent forest estate;
- Control over logging activities made ineffective through lack of key data and inadequate capacities;
- Failing reforestation efforts in areas outside the permanent forest estate;
- Difficulties for economic operators to engage in sustainable management;
- Fiscal policies and indirect taxation systems targeting forestry operators;
- Problems associated with the timber trade and the value chain; and
- The inadequate involvement of the civil society, NGOs and development partners.

To date, 24 member countries have benefited from these ITTO diagnostic missions.



Members of the Diagnostic mission to Côte d'Ivoire. Photo by Jean-Marie Samyn.



Diagnostic Team in the forest in Côte d'Ivoire. Photo by Jean-Marie Samyn.

TRADE AND CIVIL SOCIETY ADVISORY GROUPS

The Civil Society Advisory Group organized a side-event in conjunction with the Meeting on Operational Modalities of future Work of the Council convened in Accra, Ghana in June 2008. Presentations were made on civil society experiences from Ghana and the Central/West-Africa region with respect to community-based forest management and enterprises.

The ITTO Annual Market Discussion 2008 was held at a joint session of the committees during the Forty-fourth Session of the Council in Yokohama, Japan. It was organized by the Trade Advisory Group (TAG) with the theme "Intra-Regional Trade in Challenging Times."



A meeting of Civil Society Advisory Group. Photo by ITTO.



Stacks of Sawnwood in a sawmill in Pokola, Republic of Congo

ANNUAL REVIEW AND ASSESSMENT OF THE WORLD TIMBER SITUATION IN 2008

In 2008, demand-side factors began to play a more important role in the tropical timber trade as the impacts of the global financial and economic crisis took hold in the US and EU markets, resulting in diminishing demand for construction materials and declining consumption.

A significant downsizing of the tropical wood processing industries has become evident in early 2009 in many producer countries, particularly among small- and medium-sized enterprises.

Although prices for many primary tropical timber products reached record highs in 2007 in response to strong demand in certain regions and restricted supplies from producer countries, prices began to flatten in early to mid-2008 before plunging in 2009 as the effects of the global economic downturn took hold in major tropical wood products markets.

In 2008, for the first time, China's tropical log imports decreased by 14% to 7.1 million m³, the lowest level in 5 years, as China's competitive advantage in wood processing began to be eroded by rising production costs and

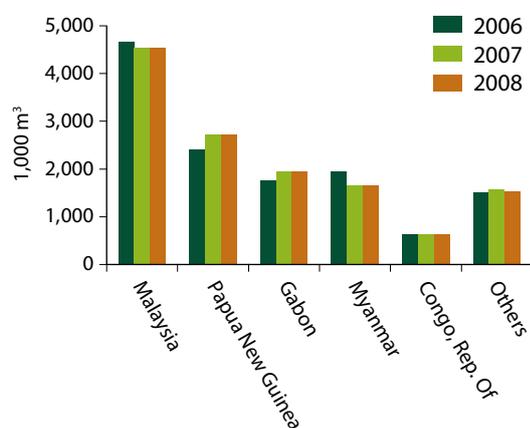
diminishing demand and prices in traditional markets.

A growing proportion of tropical primary wood products consumption is being re-directed from export to domestic markets in some tropical producer countries.

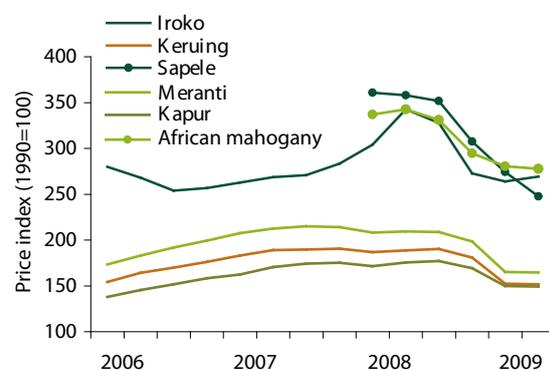
Tropical log supply continued to be a constraint for the plywood industries, particularly in Indonesia, caused mainly by crackdowns on illegal logging and reduced resource availability. Reduced profitability in plywood manufacturing was evident from 2007 until late 2008, caused by a steep rise in production and delivery costs, particularly wood raw materials, glues and ocean freight, coupled with plywood prices that did not keep pace with the steep rise in tropical log prices.

Technical advances in softwood plywood manufacturing have facilitated substitution of tropical hardwoods with softwoods in structural plywood manufacture, with consumption of tropical hardwood products being negatively affected by increasing adoption of substitute products such as OSB in structural applications, and MDF, plastics and other composite materials in non-structural applications.

Major tropical log exporters, 2006-2008



Tropical hardwood log price trends, 2006-2009



Source: ITTO Market Information Service, 2009.

Production and trade of primary tropical timber products, 2006-2008 ITTO total (million m³).

	2006	2007	2008	% change 06-08
Logs				
Production	136.7	143.2	143.7	5.1
Imports	12.9	13.5	11.6	-10.1
Exports	12.9	13.0	13.0	-0.8
Sawnwood				
Production	43.4	43.3	44.7	3.0
Imports	8.1	8.0	7.4	-8.6
Exports	11.6	11.6	11.6	0
Plywood				
Production	19.9	19.9	19.9	0
Imports	9.6	8.1	7.8	-18.8
Exports	10.7	9.7	9.2	-14.0

The medium-term prospects for tropical hardwood products are likely to continue to be influenced by demand-side factors, particularly construction demand in Japan and the US, with demand for certified products from legal and sustainable sources increasing, although many tropical supplying countries are still unable to meet such requirements.

FINANCIAL STATEMENTS

ALLOCATIONS OF FUNDS BY DONORS TO THE SPECIAL ACCOUNT AND THE BALI PARTNERSHIP FUND IN 2008

(in United States Dollars)

	2008	2007
PRE-PROJECT SUB-ACCOUNT		
AUSTRALIA		\$17,500.00
FINLAND	\$95,198.57	\$20,000.00
JAPAN	\$770,927.00	\$340,947.00
THE NETHERLANDS (Note 1)		\$900,000.00
NEW ZEALAND	\$56,295.00	
NORWAY (Note 2)		\$56,538.00
REP. OF KOREA		\$20,000.00
SWITZERLAND	\$420,000.00	\$320,000.00
U.S.A.	\$380,098.00	\$100,000.00
TOTAL	\$1,722,518.57	\$1,774,985.00
PROJECT SUB-ACCOUNT		
AUSTRALIA	\$35,000.00	\$60,000.00
BELGIUM	\$118,000.00	
FINLAND		\$10,000.00
FRANCE		\$65,000.00
JAPAN	\$4,810,643.00	\$7,082,795.00
REP. OF KOREA	\$40,000.00	\$30,000.00
THE NETHERLANDS (Note 1)	\$309,844.00	\$294,070.00
NORWAY (Note 2)		\$82,000.00
SWITZERLAND	\$766,040.00	\$1,338,800.00
U.S.A.	\$897,004.00	\$673,000.00
C.F.C.		\$480,511.00
JLIA		\$50,000.00
TOTAL	\$6,976,531.00	\$10,166,176.00
BALI PARTNERSHIP FUND: Unearmarked		
Unearmarked Fund		
Interest Receipts	\$675,428.76	\$1,157,038.92
TOTAL	\$675,428.76	\$1,157,038.92
Notes: Allocation from other sources:		
1. The Netherlands: ITTO Thematic Programme on TFLET Pledge: \$3m Allocation: \$1,503,914	\$309,844.00	\$1,194,070.00
2. Norway: ITTO Thematic Programme on REDDES Pledge: \$3.5m Allocation: nil		
3. Working Capital Account, Administrative Account		\$130,000.00
4. Biennial Work Programme for years 2008-2009 (Additional funds at 44th ITTC, approved at 43rd ITTC)	\$1,141,005.00	\$5,485,000.00
a) Unearmarked - Special Account and Bali Partnership Fund	\$1,141,005.00	\$5,105,000.00
b) Working Capital A/C, Administrative A/C		\$380,000.00

**INTERNATIONAL TROPICAL TIMBER ORGANIZATION
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31 2008**

(in United States Dollars)

	2008	2007
ASSETS		
Cash and time deposits	49,252,568	57,837,418
Arrears in contributions	6,188,036	6,921,120
Accounts receivable from Japan	359,767	285,181
Prepaid expenses	18,555	4,873
Advances to and receivable from staff members and others	331,328	327,364
Accrued interest on time deposits	43,112	189,901
	\$56,193,367	\$65,565,858
LIABILITIES AND CONTRIBUTION		
Accounts payable to staff members and others	14,723	1,256
Accrued liabilities	416,315	544,787
Membership contributions received in advance	102,040	197,945
Unappropriated fund	3,147,842	4,758,731
Reserve for programme support	5,392,598	5,919,997
	9,073,518	11,422,716
MEMBERS' FUND		
Administrative Account		
Special reserve	1,500,000	1,500,000
Reserve provided by interest income	2,311,157	2,273,154
Surplus of revenues over expenditures	7,974,314	3,053,103
Project Accounts		
Appropriated for specified projects	40,400,647	40,906,781
Japan Trust Fund	26,369	26,368
Unappropriated funds	(5,717,492)	5,783,030
Surplus from completed projects	624,855	600,705
	47,119,849	54,143,141
	\$56,193,367	\$65,565,858

**INTERNATIONAL TROPICAL TIMBER ORGANIZATION
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31**

(in United States Dollars)

	2008	2007
Revenues:		
Contributions from member countries	5,353,538	5,490,680
Reimbursement by Japan	841,817	725,920
Voluntary contributions	8,562,596	12,494,551
Correction to prior year's budget	(109,520)	-
Interest income	1,100,069	2,601,963
Other income	-	1,008
	\$15,748,500	\$21,314,122
Expenditures:		
Administrative Accounts		
Salaries and benefits	3,921,579	3,332,951
Installation costs	61,378	36,210
Official travel	189,408	207,707
Social security	648,284	553,308
Special activities	121,593	96,857
Data processing	172,748	167,678
Other costs	299,541	312,877
Council meetings	628,169	824,590
Exchange loss, net	66,222	8,157
Write-off of arrears in contributions	38,626	421,340
Write-off of advance payment	-	36,131
Provision cost for unsettled advance payments (Reversal of provision cost for unsettled advance payments)	(364,143)	1,205,000
	5,783,406	7,202,804
Project Accounts		
Project cost	16,843,580	14,134,654
	\$22,626,986	\$21,337,458
Excess of expenditures over revenues	(\$6,878,486)	(\$23,336)



ITTO Community Forestry Project by the Ashaninka Indigenous Community of El Milagro, Peru

ANNEX 1: ITTO MEMBER COUNTRIES AND VOTES IN 2008

PRODUCING MEMBERS	No. of Votes
Africa	
 Cameroon	26
 Central African Republic	25
 Congo	25
 Côte d'Ivoire	25
 Democratic Republic of the Congo	26
 Gabon	26
 Ghana	25
 Liberia	25
 Nigeria	25
 Togo	25
Asia & Pacific	
 Cambodia	16
 Fiji	14
 India	28
 Indonesia	100
 Malaysia	122
 Myanmar	37
 Papua New Guinea	26
 Philippines	15
 Thailand	17
 Vanuatu	14
Latin America/Caribbean	
 Bolivia	25
 Brazil	147
 Colombia	24
 Ecuador	15
 Guatemala	12
 Guyana	15
 Honduras	11
 Mexico	24
 Panama	11
 Peru	29
 Suriname	14
 Trinidad and Tobago	10
 Venezuela	21
Total: 1,000	

CONSUMING MEMBERS

No. of Votes

 Australia	17
 Canada	16
 China	226
 Egypt	17

European Community

 Austria	11
 Belgium /  Luxembourg	16
 Denmark	14
 Finland	10
 France	35
 Germany	19
 Greece	13
 Ireland	15
 Italy	27
 The Netherlands	31
 Poland	11
 Portugal	18
 Spain	28
 Sweden	11
 United Kingdom	25
 Japan	222
 Nepal	10
 New Zealand	11
 Norway	12
 Republic of Korea	83
 Switzerland	11
 United States of America	91

Total: 1,000

ANNEX 2: PROJECTS FINANCED IN 2008

Sustainable Utilization and Marketing of Selected Non-Timber Forest Products to Support the Handicraft Industry and the Development of Rural Communities (Philippines)

Project number	PD 448/07 Rev. 2 (I)
Project country	Government of the Philippines
Budget	Total: US\$ 450,082 ITTO Contribution: US\$ 354,672 Government of the Philippines: US\$ 95,410
Submitted by	Government of the Philippines
Implementing agencies	Forest Products Research and Development Institute (FPRDI) in collaboration with Federation of Philippine Crafts Fair Traders Inc. (FPCFTI)

Summary

The project is a follow-up to a completed project on the utilization, collection and trade of non-wood forest products in the Philippines [PD 15/96 Rev. 2 (M,I)] supported by the ITTO and implemented by FPRDI. Although the past project had generated valuable information and technologies which are used by the local communities, it was observed from the Ex-Post Evaluation of the project that important issues and problems need to be addressed to fully realize the economic benefits from non-timber forest products (NTFP) by the rural communities and the sustainable use of the resource.

An extensive review of literature also shows that there is little information on resource availability, regeneration, extraction rate, processing and marketing of NTFP to support the handicraft industry. The project will address the recommendations from the completed project, the Ex-Post Evaluation and the results of the review of literature, will generate more information on the availability, regenerative growth, extraction intensity, processing and marketing of selected NTFP in the project areas in Quezon Province and Camarines Norte. It will conduct training seminars to upgrade the skills and productivity of NTFP extractors and handicraft workers and producers. It will organize and assist small handicraft producers groups to strengthen their production and marketing capabilities. It will establish data/information on gender roles or sensitivity in extraction, processing and marketing of NTFP and handicraft products.

Reviving Forestry Education in Liberia (Liberia)

Project number	PD 506/08 Rev. 1 (I)
Project country	Government of Liberia
Budget	Total: US\$ 352,249 ITTO Contribution: US\$ 292,522 Government of Liberia (FDA and Ministry of Education): US\$ 59,727
Submitted by	Government of Liberia
Implementing agencies	The Forest Development Authority (FDA) and the Ministry of Education (MoE), supporting the Forestry Training Institute (FTI), Tubmanburg

Summary

The present project will support the reestablishment of forest education activities for middle level forestry technicians of the Forestry Training Institute (FTI) located in Tubmanburg. The project deals with the establishment of a functional curriculum, the training of trainers and immediate practical training of the currently registered students in the FTI. In addition, the project will support a national working group that conducts a strategic process on forest education in Liberia as a whole. The Project's Development Objective is to "Secure trained and skilled manpower for the sustainable forest management, conservation and for development of forest industry in Liberia".

The specific objectives are:

- Provide immediate support to reestablish functional education in the Forestry Training Institute; and
- Develop strategic long-term planning for forest education in Liberia, with particular reference to the institutional sustainability.

The target beneficiaries are the students and teachers of the Forestry Training Institute. The FDA and the Ministry of Education are also direct beneficiaries through receiving the results of the strategic work conducted by the national working group on forest education. Indirect target beneficiaries are the Forest Development Authority, Private sector forest management companies, Forest industries, NGOs and Forest-dependent communities.

Timbers of Tropical Africa Part 2: Group 7(2) within the PROTA Programme

Project number	PD 479/07 Rev. 2 (M)
Project country	Government of Ghana
Budget	Total: US\$ 1,053,635 ITTO Contribution: US\$ 596,419 PROTA Contribution: US\$ 457,216
Submitted by	Government of Ghana
Implementing agencies	Plant Resources of Tropical Africa (PROTA)

Summary

As part of a total programme to improve the access to information on the 7000 useful plants of Tropical Africa and to promote their use in a sustainable manner, PROTA (Plant Resources of Tropical Africa) will make a synthesis of all existing but dispersed knowledge on the estimated 1070 'Timbers of Tropical Africa' (Commodity group 7) in two Parts. This document is a follow-up project on the 570 'Timbers of Tropical Africa' from currently less important timber-producing taxonomic families (Commodity group 7(2)). It is preceded by a project on the 500 'Timbers of Tropical Africa' from the currently more important timber-producing taxonomic families (Commodity group 7(1); ITTO Project PD 264/04 Rev. 3 (M,I)). PROTA is strongly rooted in the group that successfully delivered the ITTO-funded PROSEA 'Timber trees' Handbook volumes.

The Study and Demonstration of the Management of Secondary Forests in Tropical Regions for the Purpose of Enhancing Economic and Ecological Benefits (China)

Project number	PD 294/04 Rev. 4 (F) – Phase II
Project country	Government of China:
Budget	Total: US\$ 237,754 ITTO Contribution: US\$ 180,373 Government of China: US\$ 57,381
Submitted by	Government of China:
Implementing agencies	Guangdong Academy of Forestry (GAF)

Summary

This project proposal is the outcome of Pre-project PPD 30/01 Rev. 1 (F): “The Study and Demonstration of the Management of Secondary Forests in Tropical Regions for the Purpose of Enhancing Economic and Ecological Benefits” which documented the decade-long neglect of Chinese tropical secondary forests (TSF) due to the perceived low economic and ecological value.

This project is aimed at accelerating sustainable forest management by better management of the secondary tropical forests in China. Its specific objectives are: a) to establish demonstration forests in two selected provinces for the study and demonstration of management of TSF including planted trees and non-timber forest products and b) to train forestry staff and villagers in TSF rehabilitation techniques and to publish and disseminate the project results.

The expected outputs of the project are:

- Fifty superior timber, rattan and medicinal plant species selected and trial planted;
- Nurseries established and operational;
- TSF management models and demonstration plots of plantation established on 4,263 ha. of land area in two provinces;
- One hundred government staff and villagers trained in TSF rehabilitation techniques; and
- TSF management techniques published and disseminated.

Verifying the Legality of Timber Forest Products in Peru

Project number	PPD 138/07 Rev. 1 (M)
Project country	Government of Peru
Budget	Total: US\$ 102,894 ITTO Contribution: US\$ 79,844 Executing Agency Contribution: US\$ 23,050
Submitted by	Government of Peru
Implementing agencies	Bosques Sociedad y Desarrollo (BSD) – Technical Secretariat for the Round-table on National Dialogue and Consensus

Summary

The aim of this proposal is to contribute to sustainable forest management taking into account market requirements related to the origin and sustainability of Peruvian timber. The activities in this proposal will strengthen voluntary chain-of-custody networks and generate competitive forest products on the basis of socially and environmentally sound practices.

To this end, it is necessary to evaluate the current status of the timber production chain so as to propose validated instruments that will help develop trust between producers and consumers with the common objective of ensuring the conservation and sustainable management of tropical forests in Peru.

The socially and environmentally friendly production processes identified and tested will generate quality employment that will help alleviate poverty and poverty and will reverse, in the long term, the human pressures that are currently causing the degradation of biodiversity.

Promoting the Rehabilitation, Management and Sustainable Use of Tropical Bamboo Forests in the North-Western Region of Peru (Peru)

Project number	PD 428/06 Rev. 2 (F)
Project country	Government of Peru
Budget	Total: US\$ 789,378 ITTO Contribution: US\$ 502,978 Government of Peru: US\$ 140,000 PERUBAMBU: US\$ 146,400
Submitted by	Government of Peru
Implementing agencies	Peruvian Association for Bamboo – PERUBAMBU in cooperation with the National Institute for Natural Resources – INRENA

Summary

Most tropical forests with bamboo stands, particularly those in easily accessible areas of the north western region of the country where a high percentage of the local communities live in poverty conditions, are rapidly being degraded due to unplanned and uncontrolled overexploitation and other demographic pressures. It is therefore paramount to seek and implement alternative sustainable activities before these resources are irremediably depleted. As such, this project envisages reducing the tropical forest degradation and simultaneously improving the socioeconomic conditions of extremely poor rural communities, as well as their environmental quality, in the aforementioned region. More specifically, it aims to ensure the rehabilitation and sustainable management of degraded or endangered tropical forests with bamboo stands and to effectively contribute to poverty alleviation in an area with a high level of unmet basic needs and hence with a high level of deforestation (185,000 ha/year) in Peru. The native communities and poor rural populations are to be the main beneficiaries of this project, as their income levels will increase through the sale of sustainably harvested and used products. Demonstration plots will be selected and established through a broad-based participatory process in order to provide training to poverty-stricken rural communities in intermediate techniques for the rehabilitation and management of forests with bamboo stands, the implementation of forest nurseries, and the establishment of plantations, particularly in protection areas of highland forests in the region.

A pilot centre will be established for the handcrafted manufacturing of bamboo products of competitive commercial quality by local communities participating in the respective production chains.

Major outputs expected are as follows:

- Local populations (250 people) trained in intermediate techniques for the rehabilitation, management and sustainable utilisation of forests with bamboo stands;
- 200 ha of tropical bamboo forests rehabilitated and sustainably managed; and
- 4 rural communities (2000 people) actively involved in and economically benefiting from an equal number of bamboo production and marketing chains.

Institutional Strengthening of ANAM for Integrated Fire Management in the Tropical Forests of Panama (Panama)

Project number	PD 441/07 Rev. 2 (F)
Project country	Governments of Panama
Budget	Total: US\$ 758,415 ITTO Contribution: US\$ 463,115 ANAM: US\$ 295,300
Submitted by	Governments of Panama
Implementing agencies	National Environmental Authority (ANAM)

Summary

This project derives from the implementation of ITTO-financed Pre-Project PPD 72/03 Rev. 1 (F) “Technical Assistance for the Development of a Project Proposal on Institutional Strengthening for Forest Fire Prevention, Mitigation and Management in the Natural and Planted Forests of Panama”, whose objective was to formulate a project to provide for institutional strengthening to prevent, mitigate and manage forest fires in the natural and planted forests of Panama. Overall, this project aims at strengthening the capacities of ANAM, the National Commission for Forest Fire Prevention, Management and Control, local groups and community grassroots organizations, in integrated forest fire management applicable to the tropical forests of Panama.

More specifically, it intends to achieve integrated fire management practices with the participation of communities and other national stakeholders in three pilot areas with high forest fire incidence.

Major outputs expected are as follows:

- Project’s installed capacity established and integrated fire management activities implemented and monitored; and
- Personnel from target communities in pilot areas and officers from relevant institutions in the field trained on integrated fire management.

Improving the Enabling Conditions for Sustainable Management of Sandalwood Forest Resources in East Nusa Tenggara Province, Indonesia (Indonesia)

Project number	PD 459/07 Rev. 1 (F)
Project country	Government of Indonesia
Budget	Total: US\$ 718,163 ITTO Contribution: US\$ 593,163 Government of Indonesia: US\$ 125,000
Submitted by	Government of Indonesia
Implementing agencies	Forestry Service of East Nusa Tenggara Province in collaboration with Forest Production Agency, Ministry of Forestry and University of Nusa Cendana Kupang, East Nusa Tenggara

Summary

Sandalwood is a fancy tree species of East Nusa Tenggara that has contributed significantly to the economy of the province for decades. However, the resource is being rapidly depleted due mainly to over harvesting and ineffective policy framework governing its management. This project aims to contribute to the sustainable management of sandalwood resource in East Nusa Tenggara Province.

Its specific objectives are:

- i) to strengthen the enabling conditions for sustainable management of sandalwood resource;
- ii) to improve local capacity for managing sandalwood resource.

The expected outputs of the project are:

- Effective policy on sandalwood management at District level formulated and Suitable economic incentive endorsed by the District Government Executive;
- Framework to support sustainable management of sandalwood resource developed;
- Forestry staffs and community leaders trained in planning, silvicultural Stakeholder techniques and efficient utilization of sandalwood resource;
- Consultation forum for sustainable management of sandalwood resource established Information system of sandalwood resource developed and operational;
- Community awareness raised on sustainable management of operational and sandalwood resource.

Development and Implementation of Criteria and Indicators for Sustainable Management of Planted Forests and Community Forests (Thailand)

Project number	PD 470/07 Rev. 1 (F)
Project country	Government of Thailand
Budget	Total: US\$ 258,674 ITTO Contribution: US\$ 209,574 Government of Thailand: US\$ 49,100
Submitted by	Government of Thailand
Implementing agencies	Royal Forest Department in collaboration with the Department of National Park, Wildlife and Plant Conservation, Thailand

Summary

Thailand has not established a comprehensive system of Criteria and Indicators (C&I) comprising a national set of C&I applicable in tropical forestry context, an adequate tracking/ change of custody (COC) system for monitoring of timber flows, an auditing system and adequate trained personnel which is evidence of the lack of key tools to implement sustainable forest management in the country. This project aims to improve availability of timber and non-timber forest products (NTFP) from sustainable and legal sources through establishment of a comprehensive system of criteria and indicators for sustainable forest management.

The expected outputs of the project are:

- National C & I and standards of performance for SFM developed, tested and
- National tracking/COC system developed, tested and adopted;
- Auditing system for C & I/standards of performance and COC/timber tracking
- Adequate personnel trained on auditing C developed, tested and adopted; and & I/standards of performance and COC.

Development of the National Reforestation Policy and Afforestation Strategy Consistent with the Liberian 3C-Approach (Liberia)

Project number	PD 507/08 Rev. 1 (F)
Project country	Government of Liberia
Budget	Total: US\$ 505,320 ITTO Contribution: US\$ 396,310 Government of Liberia: US\$ 109,010 in kind
Submitted by	Government of Liberia
Implementing agencies	Forestry Development Authority (FDA)

Summary

Liberian forests have suffered extremely from more than 14 years of prolonged civil conflict that led to great loss of life, economic collapse, mass migration and internal displacement as well as destruction of much of the country's infrastructure.

However, since the year 2004, Liberia is reconstructing its social, political, economic and ecological environment. Forests have to play a crucial role in this period of rebuilding a functional Nation. In this post-conflict period, social, economic and political changes have created expectations that will present new challenges to a still weak forestry administration and other stakeholders in the sector. To meet these challenges and avoid problems of the past, it will require policy and strategy reforms across the forest sector, consistent with the 3C-Approach (Commercially-based, Conservation-oriented and Community-involvement), which is based on the three pillars of sustainable forest management (SFM): economic, ecological and social sustainability.

International support thus is crucial to rebuild a viable forest sector that meets the expectation as a driving force for sustainable development in the country. The project objective is to develop forest plantations and forest restoration as an effective tool for the conservation and sustainable management of the Liberia's forest and wildlife resources, to maintain environmental quality and improve the flow of benefits to all segments of society.

The project specific objectives are twofold:

- (1) Develop a national reforestation policy and afforestation strategy consistent with the National Forestry Reform Law; and
- (2) Develop knowledge, expertise and capability of the Forest Development Authority and other stakeholders to assess, monitor and plan forest plantation and forest restoration activities in the country.

The expected project outputs are as follows:

- All existing forestry plantations are assessed and timber volume and qualitative data per area interpreted;
- Suitable sites for reforestation and afforestation, as well as forest restoration identified;
- The potential of CDM A/R and forest restoration in REDD assessed;
- A draft policy for enrichment planting and reforestation activities to be applied in areas of Timber Sales Contracts and Forest Management Contracts developed;
- Preliminary results of assessments, policies and strategies, widely consulted with forest stakeholders;
- Draft reforestation policy and an afforestation strategy based on the results of Outputs 1.1. – 1.5 elaborated;
- A core team of technicians has been trained in the assessment and implementation of reforestation and afforestation;
- A series of technical workshops has been conducted to train FDA staff and stakeholders from NGOs and private sector in forest restoration, reforestation and afforestation; and
- Community dwellers and local NGOs involved in the development of community forestry have been trained in practical aspects in forest restoration, afforestation and agroforestry.

Assessing the Policy and International Framework to Facilitate the Development of an Integrated Grazing Policy for Sustainable Forest Management in India (India)

Project number	PPD 142/08 Rev. 1 (F)
Project country	Government of India
Budget	Total: US\$ 99,969 ITTO Contribution: US\$ 79,969 Winrock International India: US\$ 20,000
Submitted by	Government of India
Implementing agencies	Winrock International India

Summary

Forests in India are crucial in supporting the livelihoods of millions of the rural population as they provide various non-timber forest products including fodder. However, instances of success stories of fodder cultivation have been sporadic and there has been no mainstreaming of various government schemes. Degradation of fodder value and increase of the number of livestock have resulted in overgrazing and further degradation of forest areas in the country. The development objective of this pre-project is to contribute towards sustainable forest management by promoting integrated grazing management practices that are socially acceptable and ecologically sound. The pre-project proposes to undertake an assessment of grazing and livestock-related issues in seven agro-ecological zones covering approximately 20 percent of the total forest cover/area of the country and 30 percent of the total livestock population.

The expected outputs of the pre-project include:

- Policy and program analysis report;
- Establishing multi stakeholders' platforms for knowledge and sharing/dialogue;
- Developing baseline information; formulation of a comprehensive project proposal on integrated grazing management

The lessons from the pilot project will further provide directions towards developing a national integrated grazing policy for the country.

Strengthening of the National Forest Information System

Project number	PPD 139/07 Rev. 1 (M)
Project country	Government of Thailand
Budget	Total: US\$ 116,005 ITTO Contribution: US\$ 84,505 Govt. of Thailand Contribution: US\$ 31,500
Submitted by	Government of Thailand
Implementing agencies	Executing Agency: Royal Forest Department Collaborating Agencies: Ministry of Natural Resources and Environment Department of National Parks, Wildlife and Plant Protection Department of Marine and Coastal Resources

Summary

The development objective of the project would be Improved decision-making on forest management at national, regional, provincial, sub-district and forest management unit (FMU) levels. The specific objective would be strengthening of the National Forest Information System (NFIS).

The objective of the Pre-Project is to elaborate a road map and its elements for the strengthening of the NFIS. The outputs of the Pre-Project are:

- a feasibility study elaborated for the strengthening of the NFIS with an action plan for priority activities, and
- a project proposal for ITTO elaborated concerning selected relevant components of the action plan. The Pre-Project involves broad participation of the stakeholders through thematic working groups, national and regional level workshops, and participation in the Pre-Project Steering Group.

Forest Seeds Management and Conservation (Côte d'Ivoire)

Project number	PD 419/06 Rev. 3 (F)
Project country	Government of Côte d'Ivoire
Budget	Total: US\$ 1,459,510 ITTO Contribution: US\$ 912,764 Government of Côte d'Ivoire: US\$ 546,746
Submitted by	Government of Côte d'Ivoire
Implementing agencies	Societe de Developpement des Forets (SODEFOR – Forest Development Corporation)

Summary

This project proposal is the main outcome of the Pre-project PPD 65/02 Rev. 1 (F): "Management and Conservation of Forests Seeds". The pre-project had carried out surveys in order to assess the situation regarding the viability of a seed center and the cost-effectiveness of establishing a Forest Seed Center in Côte d'Ivoire.

Côte d'Ivoire has seen its forest devastated in the matter of a few years due to extensive agriculture development. To regenerate this forest has become an imperative for the country. One of the basic requirements to ensure the success of the reforestation efforts is the availability of the seeds of high quality. Since its creation in 1966, SODEFOR is facing this problem of availability of good quality seeds in sufficient quantity for its reforestation activities in Côte d'Ivoire.

The overall aim of the project is to contribute to the sustainable rehabilitation of Cote d'Ivoire's forests by developing a seed supply system having the capacity to provide high-quality products to meet the needs of the national forest rehabilitation stakeholders. The specific objective is to produce and supply forest seeds from plant stock of high genetic quality.

The following outputs are expected:

- Two hundred forty-two hectares (242 ha) of new seed-producing plots are installed, one hundred seventy-four hectares (174 ha) of existing seed sources are developed and twenty-five hectares (25 ha) of seed-tree orchards are created;
- The infrastructure and equipment capacity for collecting, packaging, conserving, stocking, distributing, controlling and managing the forest seeds are reinforced; and
- The persons involved in forest seed production and management activities are trained in various areas regarding forest seed technology (seed collection, packaging, quality control, data management procedures).

Conservation and Utilization of Medicinal Plants in Ghanaian Forests Fringe Communities (Ghana)

Project number	PD 424/06 Rev. 2 (F)
Project country	Government of Ghana
Budget	Total: US\$ 537,093.40 ITTO Contribution: US\$ 429,138.00 Government of Ghana: US\$ 107,955.40
Submitted by	Government of Ghana
Implementing agencies	Forestry Research Institute of Ghana (FORIG)

Summary

Poverty is associated with the rural savannas and rural forest areas, where communities cannot afford to seek modern health care facilities but depend on medicinal plants for their health needs. Over 60% of the population in Ghana depends on plant parts for health delivery. This is because medicinal plants are of critical importance for poor communities, as even relatively cheap western medicines remain prohibitively expensive. The continued availability of many of these plants is in jeopardy.

This situation calls for urgent action to develop alternative strategies to promote the production, utilization and conservation of medicinal plant species in general and threatened species in particular. The developmental objective of this project is to develop conservation and sustainable utilization strategies for medicinal plant species within forest

fringe communities of different ecological zones in Ghana.

Specifically, it intends to document the distribution, utilization (endangered, common) and practice conservation for sustainable supply of medicinal plants from three different forest ecological zones in Ghana.

Expected outs are the following:

- Medicinal plant species in different ecological zones identified;
- Inventories of medicinal plant species in the three ecological zones in Ghana conducted and documented;
- Herbarium samples collected and preserved;
- Uses of identified medicinal plant species documented;
- In-situ conservation of medicinal plant species achieved;
- Ex-situ conservation of medicinal plant species achieved; and
- Communities trained in propagation, management and conservation measures.

Strengthening Capacity of Forest Law Enforcement and Governance in Cambodia

Project number	PD 493/07 Rev. 1 (F)
Project country	Government of Cambodia
Budget	Total: US\$ 684,362 ITTO Contribution: US\$ 561,195 Government of Cambodia: US\$ 123,167
Submitted by	Government of Cambodia
Implementing agencies	Forest Administration of Cambodia

Summary

This project proposal is the output of PPD 128/06 Rev. 1 (F) “Strengthening Capacity of Forest Law Enforcement and Governance in Cambodia” that has recently been completed. In order to control illegal logging, forest clearing and encroachment in Cambodia, the pre-project recommended that appropriate facilities and equipment should be in place with well qualified trained in all Forestry Administration offices. The project aims to facilitate the implementation of the Government’s policy platform in combating illegal logging, forest clearing and land encroachment through the improvement of capacity of human resources and the upgrading of operational means/equipment to ensure effective Forest Law Enforcement and Governance (FLEG) in Cambodia.

In addition to staff members of the Forestry Administration, selected local communities will be provided in training in how an effective FLEG operation can benefit the community by protecting their interests in legal forest activities and ensure their access to legal forest and non-timber forest products. The expected outputs of the project include: improved facilities and staff capabilities, effective monitoring and documentation of illegal forest activities, effective judicial processing, and effective extension of measures to all stakeholders. These outputs will contribute directly to the on-going capacity building program of the Forestry Administration of Cambodia as a high priority.

Study for the Conservation, Land Management and Sustainable Mountain Biodiversity Management in the Centre North Region of Togo (Togo)

Project number	PPD 136/07 Rev. 1 (F)
Project country	Government of Togo
Budget	Total: US\$ 68,631 ITTO Contribution: US\$ 52,358 Government of Togo (DEF/MERF): US\$ 16,273
Submitted by	Government of Togo
Implementing agencies	Direction des Eaux et forêts /MERF

Summary

The pre-project aims at contributing to the conservation, restoration and sustainable management of mountain biodiversity in the Centre-Nord Region of Togo in the goal to improve the living conditions and environment of local communities, and to secure for present and future generation sufficient natural resource in the perspective of the sustainable development of the country.

It specifically intends to provide technical assistance for the development of a local community support project to conserve and sustainably manage mountain biodiversity in the Centre North Region of Togo.

Expected outputs of the pre-project are: forest, flora, wildlife, socio-economic and environmental impact data available for the project area; and a project to support local communities for the conservation and sustainable use of mountain biodiversity in the Centre North Region of Togo, formulated and submitted to ITTO for approval.

Independent Validation of Legal Timber in Ghana

Project number	PD 487/07 Rev. 1 (M)
Project country	Government of Ghana
Budget	Total: US\$ 739,040 ITTO Contribution: US\$ 473,040 Govt. of Ghana Contribution: US\$ 222,000 Ghana Industry Contribution: US\$ 44,000
Submitted by	Government of Ghana
Implementing agencies	Ghana Forestry Commission

Summary

In the past 10 years, several initiatives have been implemented to improve policies and practices in Ghana's forest industries sector and to enhance sustainable management and use of Ghana's forest resources, including addressing the current weak forest law enforcement regime.

However, illegal logging continues to be a major challenge in Ghana's high forest zone. This is because the demand for timber from sawmills, furniture makers, builders and other wood users continues to exceed the sustainable annual allowable harvest from Ghana's commercial forests. As a result of illegal logging, the quantity of logs currently being taken from Ghana's forest reserves and off reserve areas is estimated to be at least four times the sustainable

annual allowable harvest. The purpose of the project is to further improve the sustainability of the forest management regime in Ghana by addressing the current weak forest control and law enforcement. This will be achieved by establishing a system for monitoring and validating legal timber in Ghana. The new system, which will build upon Ghana's existing paper-based log tracking system, will be overseen and managed by an independent agency, at arms length from the Ghana Forestry Commission (GFC). The project will contribute to transparency and accountability in the forest sector, and to the Government of Ghana's strategy of improving public and private sector governance.

It will also contribute to the goal of Ghana's Natural Resource Management Programme (NRMP) and the institutional strengthening and policy reforms implemented over the past 10 years. The project will enhance forest law enforcement in Ghana by:

- Reviewing existing forest law enforcement mechanisms for effectiveness and adequacy, and implementing actions to address identified gaps;
- Developing and implementing a cost-effective independent system for monitoring and validating legal timber in Ghana including a chain of custody system;
- Creating an independent agency to manage and oversee the new system;
- Establishing a database on log and timber flows to better assist in monitoring illegal activities;
- Developing and implementing an industry code of conduct for legal forestry activities, consistent with the principles and guidelines of Forestry, Law Enforcement, Governance and Trade (FLEGT); and
- Implementing training for key stakeholders to enhance their capacity in forest law enforcement.

Using external (international) and domestic (national) expertise, the major outputs of the project will be:

- A cost-effective, independent system for monitoring and validating legal timber in Ghana including a chain of custody verification system;
- An independent agency to manage and oversee the new system;
- A database on log and timber flows to assist in better monitoring of illegal activities;
- An industry code of conduct for legal forestry activities consistent with the principles and guidelines of Forestry, Law Enforcement, Governance and Trade (FLEGT); and
- Enhanced capacity building for forest law enforcement.

Value Adding and Kiln Drying of Commercial Timbers by Small Scale Community Saw Millers in Guyana (Guyana)

Project number	PD 401/06 Rev. 2 (I)
Project country	Government of Guyana
Budget	Total: US\$ 460,299 ITTO Contribution: US\$ 347,004 Gov't of Guyana: US\$ 73,295 Industry: US\$ 40,000
Submitted by	Government of Guyana
Implementing agencies	The Guyana Forestry Commission (GFC)

Summary

The objective of this one year project is to train small scale community saw millers in commercial kiln drying techniques. Currently, an estimated 25% of Guyana's total wood production is from small to medium community enterprises (SMEs) employing on average 5 to 10 people, and supplying mainly the domestic market with rough sawn green scantlings, although some of them export low value green dressed lumber to countries in the Caribbean (CARICOM) region. The ITTO Diagnostic Mission of October, 2002 as well as other recent studies identified small scale community saw millers as a priority area for improving productivity, efficiency and quality value adding in Guyana's forest products sector. Small scale community saw millers are also much more able to adopt new technology and ideas with minimal risk.

In addition, relatively small investments are required to improve significantly value adding among these producers. In view of the large and near intact forest resources (75% of the country is covered by forests), small scale community saw millers have the potential to become a significant supplier of high quality wood products to the CARICOM region. Current exports to CARICOM are small, (under 5% of their total production) because of community saw millers' inability to dry wood to the quality standards and specifications required by international markets.

The only drying which occurs is air drying, which takes a long time, leads to significant product degradation and is inefficient for supplying international markets. The project aims to address this problem by trialing commercial kiln drying of wood in three small scale community sawmilling regions as demonstration of the value adding and quality standards expected by international markets. It is expected that through these demonstration activities, the small scale community saw millers will understand and learn the quality requirements for exports to international markets.



Sustaining Tropical Forests



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