



ITTO

**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

Distr.
GENERAL

ITTC(XIV)/2
5 April 1993

Original: ENGLISH

FOURTEENTH SESSION
11-19 May 1993
Kuala Lumpur, Malaysia

DRAFT ANNUAL REPORT FOR 1992

(Item 17 of the Provisional Agenda)

Table of Contents

	<i>Pages</i>
PART 1. ORGANIZATION, ADMINISTRATION AND SUMMARY OF ACTIVITIES	
1.1 Membership	1
1.2 International Tropical Timber Council	2
1.3 The Permanent Committees	4
1.4 Summary of Projects and Pre-Projects	5
1.5 Renegotiation of the ITTA, 1983	6
1.6 Other Activities	7
1.7 The Secretariat	7
PART 2. ECONOMIC INFORMATION AND MARKET INTELLIGENCE	
2.1 Pre-Projects	8
2.2 Projects	15
2.3 Non-Project Activities	32
2.4 Statistical Operations	33
PART 3. REFORESTATION AND FOREST MANAGEMENT	
3.1 Pre-Projects	35
3.2 Projects	39
3.3 Non-Project Activities	95
PART 4. FOREST INDUSTRY	
4.1 Completed Pre-Projects	103
4.2 Projects	111
4.3 Other Activities	138
ANNEXES	
1 Status of Members as at 31 December 1992	139
2 List of Professional Members of the ITTO Secretariat	140
3 1992 ITTO Publications	141
4 Schedule of Official Travel and Participation at Conferences	142
5 Contributions to the Special Account - 1992	147
6 Administrative Budget 1993	148

1. ORGANIZATION, ADMINISTRATION AND SUMMARY OF ACTIVITIES

1.1 Membership

During the year under review the membership of the Organization increased by two with the acceptance by Guyana of the ITTA, 1983, on 30 July 1992 as a producing member and the accession of New Zealand on 5 August 1992 as a consuming member. As of 31 December 1992, the Organization had a membership of 50 comprising 23 producing country members and 27 consuming country members including the EC.

The 50 members of the ITTO at the end of 1992 were as follows:

MEMBERS

Producers

Africa

Cameroon
Congo
Côte d'Ivoire
Gabon
Ghana
Liberia
Togo
Zaire

Asia & Pacific

India
Indonesia
Malaysia
Papua New Guinea
Philippines
Thailand

Latin America/Caribbean

Bolivia
Brazil
Colombia
Ecuador
Guyana
Honduras
Panama
Peru
Trinidad and Tobago

Consumers

Australia

Austria
Canada
China
Egypt
European Community
Belgium/Luxembourg
Denmark
France
Germany
Greece
Ireland
Italy
Netherlands
Portugal
Spain
United Kingdom of Great Britain
and Northern Ireland
Finland
Japan
Nepal
New Zealand
Norway
Republic of Korea
Russian Federation
Sweden
Switzerland
United States of America

The state of members as of 31 December 1992 in terms of ratification, acceptance, approval and accession are as summarized in Annex 1.

ITTO's membership now accounts for nearly 80 per cent of the closed tropical forests in the world and 90 per cent of international trade in tropical timber including logs, sawntimber, veneer and plywood valued at more than \$7.5 billion during 1992.

1.2 International Tropical Timber Council

1.2.1 *Officers of the Council*

At its Eleventh Session, the Council elected Mr. David W.K. Boulter (Canada) and Mr. S.K. Appiah (Ghana) as its Chairman and Vice-Chairman for 1992 respectively. At its Thirteenth Session, Mr. S.K. Appiah (Ghana) was elected Chairman and Mr. Yoichi Suzuki (Japan) Vice-Chairman of the Council for 1993. All these elections were unanimous and made after normal informal consultations among Members. During the year Mr. Milton Drucker (U.S.A.) and Mr. Amha Buang (Malaysia) acted as Spokespersons for consumers and producers respectively. The two Spokespersons played an important role to facilitate various discussions and negotiations.

1.2.2 *Twelfth Session of the Council*

The Twelfth Session of the ITTC was held in the capital city of Cameroon, Yaoundé, from 6 to 14 May 1992. His Excellency, Mr. Simon Achidi Achu, Prime Minister of the Republic of Cameroon, officiated at the opening ceremony and addressed the Council. The official opening was preceded by speeches from other dignitaries including H.E. Mr. Eugène Capito, Minister of Agriculture and Forests of Gabon and H.E. Mr. J.D. Gabor, Secretary of State for Agriculture, Nature Management and Fisheries of the Netherlands. Also in attendance was the host minister of Forests and the Environment of Cameroon, Mr. Bava Djingoer. The entire Council Session was presided over by the Council Chairman, Mr. David Boulter.

The two consultants, Mr. J.C.F. Buist and Dr. M. de Paula Fernandes, reported on ITTO's project work and their proposals for a project cycle manual based on document ITTC(XII)/6. The manual proposed was comprehensive benefitting from the consultants' experience with other aid agencies and ITTO's unique working mechanism and institutional structure. Council decided to introduce certain modifications for a trial period of one year to the Project Cycle. Time constraints prevented Council to consider other elements of the manual.

Prof. Nils-Erik Nilsson, Chairman of the Expert Panel to assess resources needed by producer countries to attain sustainable management of tropical forests by the year 2000, which met in Yokohama from 7 to 11 April 1992, reported on the work of the Panel. The Panel's deliberations were based on a report prepared by two consultants, Prof. Ian S. Ferguson and Mr. Jaime Muñoz-Reyes Navarro. Council decided to invite producing members to undertake assessment of resources needed to implement programmes to attain sustainable management of tropical forests. These estimations will be considered by a Panel.

Council formally adopted the definition and criteria for sustainable forest management as contained in ITTO Policy Development Series, Publication No. 3.

Country reports on progress achieved towards Target 2000 were presented by several members including Canada, Ghana, Italy, Japan, Netherlands, Portugal and United Kingdom.

Switzerland, Denmark, France, Norway and United States informed Council of their commitment to the ITTO and would continue to provide voluntary contributions to support ITTO's project activities. Japan pledged a total voluntary contribution of \$11.3 million for fiscal year 1992.

The Council also noted the recommendations of its three Permanent Committees as contained in their reports for the Tenth Sessions and approved 16 projects and five pre-projects. Thirteen projects, including two approved at earlier sessions, were financed for immediate implementation.

The Council took note of the Auditors' Report for the Administrative and Special Accounts for 1992.

1.2.3 Thirteenth Session of the Council

The Thirteenth Session of the ITTC was held in Yokohama, Japan from 16 to 21 and on 24 November 1992. Distinguished guests who addressed the Council at its opening ceremony included His Excellency Mr. Bava Djingoer, Minister of Forests and the Environment of Cameroon, the Rt. Hon. Datuk Patinggi Tan Sri Haji Abdul Taib Machmud, Chief Minister of Sarawak, and Mr. Budi Hartantyo, Managing Director of the Common Fund for Commodities. Other dignitaries in attendance included H.E. Mr. Eugène Capito, Minister of Agriculture and Forests of Gabon. The whole Session was presided over by the Council Chairman, Mr. David Boulter.

At this Session, Council was naturally influenced by the work of the First Preparatory Committee on Renegotiation of the ITTA, 1983 and decided to postpone its final meeting of the Session until the 24 November so that it might hear a report on the results of the First Prepcomm. These results are reported in Section 1.5 of this Annual Report, and, in response to the gracious invitation of the Government of Ecuador, the Council decided to convene a Second Preparatory Committee in Quito from 22 to 30 January 1993. The first part, from 22 to 26 January, was to be devoted to a meeting for producer Member States, and the second for all Members. Furthermore, Council decided to hold its First Special Session on 30 January 1993, to prepare for the Negotiating Conference in Geneva scheduled for 13 to 16 April 1993, and from 21 to 25 June 1993.

Continuing its initiative on sustainable management of tropical forests, the Council set in motion further work on the resources needed by Producer Members to achieve Target 2000. In this connection, the Chief Minister of Sarawak, in his opening address, had informed Council of the economic hardships which the rural people of Sarawak were suffering as a result of his State's implementation of decisions on decreasing annual harvests in accordance with the Sarawak Mission's recommendations. Council also heard more Target 2000 progress reports, and drafted a format for reporting, which would be considered at the Fourteenth Session; it adopted Guidelines on the Conservation of Biological Diversity in Tropical Production Forests, with the expectation that they would become an international reference standard.

Adopting the proposals of the Independent Consultants on Project Work and the Project Cycle Manuals, Council decided to proceed immediately with the publication and dissemination of ITTO Manuals on Project Formulation and on Project Monitoring, Review and Evaluation. The programme of dissemination was to include courses for training project formulators in all three Producing Regions. The issue of developing guidelines for the Employment of Consultants and for the Procurement of Goods and Services was the only business relating to the project cycle which the Council decided to consider further.

During the Session, Council discussed the question of "eco-labelling" of tropical timber in the context of the legislation of one Member Country. As a result, the Council called upon its individual Members to observe the sensitivities of other Members in this respect by refraining from unilateral actions and heeding the relevant agreements, especially the general provisions of GATT, and specific parts of the ITTA, 1983, the UNCED agreements, and the UNCTAD VIII Cartagena Commitment.

The Council also noted the recommendations of its three Permanent Committees as contained in their reports for the Eleventh Sessions and approved nineteen projects and six pre-projects. Six projects, including the first phase of one approved at an earlier session, and two pre-projects were financed for immediate implementation.

New contributions to ITTO's Special Account were pledged as follows:

Association of Wood Laminating Technology of Japan	¥10,000,000
Japan Lumber Importers' Association	¥10,000,000
Switzerland	\$ 1,000,000
United States of America	\$ 1,000,000
The Netherlands	DFl.120,000

The Delegates of Australia, Denmark, Norway, Sweden, and the United Kingdom also expressed their countries' intentions to continue making voluntary contributions to the Special Account.

The Council approved an Administrative Budget for the year 1993 totalling \$3,609,077.00.

1.3 The Permanent Committees

1.3.1 *Officers of the Permanent Committees*

During the year, Dr. Toga Silitonga (Indonesia) and Mr. Arthur V. Morrell (U.K.) served as Chairman and Vice-Chairman of the Permanent Committee on Economic Information and Market Intelligence for 1992. At its Eleventh Session the Committee elected Mr. Arthur V. Morrell (U.K.) and Mr. Charles Anguilely (Gabon) as its Chairman and Vice-Chairman for 1993.

Dr. Amantino Ramos de Freitas (Brazil) and Dr. David A. Harcharik (U.S.A.) were the Chairman and Vice-Chairman for the Permanent Committee on Reforestation and Forest Management for 1992. The Committee elected Dr. David A. Harcharik (U.S.A.), its Vice-Chairman, as its Chairman for 1993 during the Committee's Eleventh Session. During this session, also, Dato' Ismail Awang (Malaysia) was elected Vice-Chairman for 1993.

The Chairman and Vice-Chairman of the Permanent Committee on Forest Industry for 1992 were Prof. Nils-Erik Nilsson (Sweden) and Dr. Ruben Guevara-Moncada (Honduras) respectively. At its Eleventh Session the Committee elected Dr. Ruben Guevara-Moncada (Honduras) and Mr. Franklin C. Moore (U.S.A.) to serve as its Chairman and Vice-Chairman for 1993.

1.3.2 *Tenth Sessions of the Three Permanent Committees*

The Tenth Sessions of the three Permanent Committees were held in conjunction with the Twelfth Session of the ITTC in Yaoundé, Cameroon, from 6 to 14 May 1992.

As in previous years, a Joint Session of the three Permanent Committees was held on 7 and 8 May 1992, to handle the Market Review and Outlook (Market Discussions) and the Annual Review and Assessment of the World Tropical Timber Situation. The main theme of the discussions was "Lesser Known Species and Sustainable Forest Management and the Trade in Tropical Timber Products". The African, Asian/Pacific, Latin American/Caribbean, European and North American perspectives were discussed based on introductory statements for each region. Dr. Duncan Poore gave a commentary and synthesis of the discussions. It was clear from the discussions that there is no one easy solution to the problems. Among the issues raised were motivation to promote the lesser used species, market development and more positive approaches, particularly in the local markets.

The Annual Review and Assessment of the World Tropical Timber Situation was undertaken based on a secretariat document [ITTC(XII)/3]. Responses to the ITTC Enquiry for preparation of the Review were more encouraging this year with 37 consumer and producer members giving replies.

The three Committees technically appraised a total of 35 project proposals and recommended to Council for 18 of them to be approved. The Committees also reviewed progress of projects and pre-projects under implementation. The Fellowship Selection Panel approved 26 fellowships under project PD 60/89 (M,F,D).

1.3.3 *Eleventh Sessions of the Three Permanent Committees*

The Eleventh Sessions of the three Permanent Committees were held in conjunction with the Thirteenth Session of the ITTC in Yokohama, Japan, from 16 to 21 November 1992.

The Permanent Committee on Economic Information and Market Intelligence devoted time to projects and non-project work relating to the collection, analysis, and dissemination of information on markets and trade, and the linkage of this activity with sustainable forest management. It recommended to Council for approval four projects and one pre-project in this field of endeavour.

The Permanent Committee on Reforestation and Forest Management recommended that Council adopt guidelines on the Conservation of Biological Diversity in Tropical Production Forests and proposed work on guidelines to protect tropical forests against fire. It reviewed a large project portfolio, and recommended twelve new projects and two pre-projects for Council's approval.

The Permanent Committee on Forest Industry proposed an important Working Group to harmonize proposals before it for improving ITTO's field presence with regional officers and spreading the network for developing human resources in support of sustainable tropical forest management. It also examined means to collect information with a view to preparing guidelines for the development of sustainable forest industries. One other pre-project and three projects were also recommended to Council and twenty-one Fellowships were awarded by the Selection Panel.

1.4 Summary of Projects and Pre-Projects

In 1992, a total of 48 projects and pre-projects were approved, out of which 25 were funded for immediate implementation. The cost of implementing these projects and pre-projects amounted to \$18,306,121 for which ITTO contributed \$11,475,834.00. The balance represented contributions by the recipient countries mainly in kind.

**Table 1. Summary of Projects and Pre-Projects
Approved and Funded in 1992
U.S. Dollars (US\$)**

	PROJECTS		PRE-PROJECTS	
	No.	Cost	No.	Cost
Economic Information and Market Intelligence	4	1,801,089.00	1	84,000.00
Reforestation and Forest Management	10	7,003,606.00	3	525,000.00
Forest Industry	5	2,671,139.00	2	94,325.00
TOTAL	19	11,475,834.00	6	703,325.00

A summary of all the projects, pre-projects and activities of the Organization approved and funded to date are indicated in Table 2.

**Table 2. ITTO Project, Pre-Project and Activity Summary
as at 31 December 1992 in all Divisions
U.S. Dollars (US\$)**

STATUS	No.	TOTAL BUDGET	ITTO BUDGET
Project Activities			
Completed	3	358,000.00	358,000.00
Operational	9	889,000.00	499,000.00
Sub-Total	12	1,247,000.00	857,000.00
Pre-Projects			
Completed	28	2,062,725.50	2,042,734.50
Operational	19	2,688,744.00	2,633,367.00
Suspended	1	25,000.00	25,000.00
Sub-Total	48	4,776,469.50	4,701,101.50
Projects			
Completed	29	8,675,920.13	5,992,640.13
Operational	73	56,672,999.50	41,393,257.70
Pending Contract	20	19,584,521.50	13,481,703.70
Sub-Total	122	84,933,441.13	60,867,601.53
TOTAL	182	90,956,910.63	66,425,703.03

1.5 Renegotiation of the ITTA, 1983

The International Tropical Timber Agreement, 1983 came into force as of 1 April 1985 for a five-year period. It was extended for a two-year term by Council at its Sixth Session by Decision 3(XI) and subsequently for another and final term of two years at its Tenth Session through Decision 4(X). Thus the ITTA, 1983 will expire on 31 March 1994. Through this Decision, Council also decided to hold a meeting of Consuming and Producing members on 5 and 6 December 1991, in conjunction with the Eleventh Session of the ITTC, for exchanging views on issues relating to the ITTA, 1983. At its Eleventh Session, through Council Decision 3(XI), Council decided to convene two Preparatory Committee meetings to conduct consultations with a view to eventual negotiation of a successor Agreement to be held from 11 to 16 November 1992 and from 25 January to 1 February 1993. In addition, two United Nations negotiating conferences under the auspices of UNCTAD will be held in April and June 1993 to establish the text of a successor Agreement.

To facilitate discussions and work of the First Session of the Preparatory Committee for the Renegotiation of the ITTA, 1983, an Informal Working Group was convened in Washington, D.C. by the Chairman, Mr. Andrew Bennett (United Kingdom), on 24 and 25 September 1992. It was attended by participants from Brazil, European Community, Ghana, Indonesia, Japan, Malaysia and United States. The Council Chairman, Mr. David W.K. Boulter (Canada) and the ITTO Secretariat were also present. The purpose of the Working Group was not to hold a pre-negotiation meeting. It was to consider comments and proposals submitted by members. From the discussions, the Chairman proposed a Report essentially on "Issues and Options". Comments and proposals for the preamble and each of the Articles

of the ITTA, 1983 were made and circulated to all members as document PrepCom(I)/3 for the First Session of the Preparatory Committee, which was rescheduled and held in Yokohama, from 11 to 13 and on 23 and 24 September 1992.

The First Session of the Preparatory Committee Meeting was chaired by Mr. Andrew Bennett (United Kingdom), who presented the report of the Informal Working Group on ITTA Renegotiation which met in Washington. At this meeting the Group examined comments and proposals from 13 countries. There was a general understanding that all members wished to see a successor Agreement to the ITTA, 1983. The Chairman explained that the Working Group devoted a great deal of attention on discussing proposals concerning the scope, goals and objectives of the ITTA, 1983, and the "definitions" as reflected in Articles 1 and 2 of the Agreement. The Group considered it essential to maintain the general scope of a commodity agreement. Views were also expressed on ensuring equitable geographical spread in the allocation of projects and a balance between project and non-project work. Some members stressed the importance of Target 2000 whilst others objected on its inclusion in the new Agreement. The Chairman concluded that the Group felt that the Agreement needed to be strengthened to improve ITTO's performance.

Following the Chairman's Report, general statements were made by the producer and consumer Spokespersons, Mr. Milton Drucker (U.S.A.) and Mr. Amha Buang (Malaysia), followed by the E.C., Brazil, Gabon, Ecuador, Sweden, Switzerland and China. Observers from FAO, UNCTAD, the Timber Trade and Environmental NGOs also addressed the meeting.

At the closing of the First Session of the Preparatory Committee, the Chairman presented his Report to the Council and based on the Committee's recommendations, Council adopted Decision 9(XIII) on the renegotiation of the ITTA, 1983. Council decided to convene a Second Session of the Preparatory Committee to be held from 22 to 30 January 1993; the first part to form a Producer members meeting from 22 to 26 January 1993, whilst the second part, for all members, will be held from 27 to 30 January 1993. The Session will be held in Quito, at the kind invitation of the Government of Ecuador.

1.6 Other Activities

The Third and Fourth Expert Panels for Technical Appraisal of Project Proposals were held in Yokohama from 24 to 29 February 1992 and 24 to 29 August 1992 respectively. Both Panels were chaired by Dr. Roslan Ismail (Malaysia).

During the year several reports, Technical Series, Policy Development Series and other publications were produced as indicated in Annex 3.

1.7 The Secretariat

Mr. John J. Leigh joined the ITTO Secretariat as Systems Analyst on 15 April 1992. The post of Conservation Officer was filled by Mr. Gary R. Burniske on 10 October 1992. Several vacancies in the General Service category were filled during the year including Ms. Akemi Yamane, Secretary, on 17 February 1992; Ms. Rowena Martinez Ulayan and Ms. Lorene Flaming both as Research Assistants on 1 March 1992; Ms. Firozeena Izmeth, Secretary, on 1 July 1992; Ms. Hitomi Watanabe, Finance Assistant on 1 October 1992 and Mr. Takashi Kawahara, Statistical Assistant, on 1 December 1992. Mr. Hiromi Hayashi, Special Assistant, seconded from the City of Yokohama to the ITTO Secretariat, left on 25 June 1992 for further studies in the United States. His position was filled by Ms. Rie Kimura on 25 June 1992. A list of the professional members of the ITTO Secretariat is given in Annex 2.

Throughout the year the Secretariat was accorded the full support and co-operation of the Government of Japan and the City of Yokohama.

2. ECONOMIC INFORMATION AND MARKET INTELLIGENCE

2.1 Pre-Projects

During the period under review two Pre-Projects were approved by the Permanent Committee.

- (1) PPD 45/92 Rev.2 (M) "Feasibility Study on the Compilation of a Multi-lingual Dictionary of Forestry and the Environment"

Budget and Funding Sources:

Total budget	\$122,000
Donor(s)	(to be determined)

Implementing Agency:

Association Française des Eaux et Forêts and any other relevant international institutions such as IUFRO recommended as potential joint implementing agency.

Starting Date and Duration:

To be determined (8 months)

The Pre-Project proposal was designed to undertake a feasibility study of compiling a dictionary in French, English, Spanish and Russian. The original proposal was designed in respect of an English/French dictionary. However, it was felt that to ensure worldwide usage, it was necessary to extend the coverage to Spanish and Russian. It was recommended that the study should envisage the possibility not only of compiling a conventional hard-bound text of a dictionary but also of making the data and insertions available on diskette in order to ensure wider circulation and user access. It was further urged that IUFRO should be approached to participate as a joint executing agency since the latter had a recognized network of institutions to ensure an efficient conduct of the feasibility study. The Pre-Project Proposal still awaits financing.

- (2) Pre-Project Proposal PPD 9/92 (M) "Workshop on Methodologies for Assessment of the Commercial and Biological Conservation Status of Timber Trees"

Budget and Funding Sources:

Total Budget	\$ 83,337
Govt. of U.K.	\$ 73,337
Govt. of Netherlands	\$ 10,000

Implementing Agency:

ITTO

Starting Date and Duration:

To be determined after consultations.

Following the presentation of the ITTO Pre-Project PPR 23/91 (M) "Study on the Conservation Status of Tropical Timbers in Trade" prepared by the World Conservation Monitoring Centre (WCMC) in Cambridge (U.K.), a draft follow-up project proposal PD 211/91 (M) was submitted by the UK and Netherlands, entitled "Expansion and Application of a Tropical Timbers Information Database."

In its preliminary technical appraisal of the draft project proposal, the ITTO Expert Panel on Project Appraisal concluded that before any proposals could be prepared as a follow-up of the pre-project, it would be necessary for another opportunity to be provided for further substantive and more focused debate on the pre-project report which should address the overall concern over the conceptual framework and review in particular the methodology to be used in collecting data. The review of the methodology should focus on how data is collected and how criteria and indicators are determined and defined in relation to the overall objectives and needs for tree species and habitat conservation. The Panel concluded that the Committee should consider the organization of a technical workshop to undertake such further discussion, as recommended.

Subsequently, at its Thirteenth Session, the Council approved the recommendation of the Permanent Committee on Economic Information and Market Intelligence on the need for organizing such a workshop. UK and Netherlands agreed to finance the organization of the workshop early in 1993.

2.1.2 ITTO Activities in Progress

Three ITTO Activities are in progress :

(1) The Economic Linkages Between the International Trade in Tropical Timber and the Sustainable Management of Tropical Forests

Budget and Funding Sources:

Total Budget	\$225,000
Govt. of Japan	\$ 70,000
Govt. of Netherlands	\$ 65,000
Govt. of Switzerland	\$ 70,000
UCBT	\$ 30,000

Implementing Agency:

London Environmental Economics Centre (LEEC) of the International Institute for Environment and Development (IIED).

Starting Date and Duration:

December 1991 (1 year)

The Study was completed in September 1992 and presented to the Eleventh Session of the Permanent Committee. The Study shows evidence of the economic linkages between the tropical timber trade, trade policies and tropical deforestation. It identifies and evaluates a spectrum of trade-related policy options available to ITTO and its member countries as a means of encouraging more sustainable management of tropical timber production forests. The study finally concludes with main findings of the evaluation of trade-related policy options. The options, as summarized, were :

- (i) Measures to alter patterns of trade
 - a. Trade liberalization
 - b. Trade bans
 - c. Quantitative restrictions
 - d. Trade Taxes
 - e. Trade Subsidies

- ii) Measures to raise revenue for sustainable forest management
 - a. Existing revenue from trade
 - (i) Taxes or Revenue Transfer Schemes
 - b. Additional revenue from trade
 - (i) Trade Surcharge Scheme
 - c. Additional funding sources external to trade
 - (i) Tropical Forest Fund
 - (ii) Tradable Scheme of Forest Management Obligations
- iii) Certification Schemes
 - a. Product Labelling
 - b. Concession/Company Certification
 - c. Country Certification
 - i) Establishment of scheme
 - ii) Producer country certification requirements
 - iii) Better market access as incentive for certified progress towards Target 2000.
 - iv) Additional financial assistance as incentives for certified producers.

Due to lack of time and given the importance of the subject of the study, the Committee decided that a more focused discussion should subsequently be organized. It was decided to make the Study the subject of the 1993 ITTO Market Discussions to be held during the 14th Session of the ITTC. The theme for the 1993 Market Discussions (12-13 May 1993) is : "Policy Issues and Options Concerning Linkages Between Tropical Timber Trade and Sustainable Forest Management." Following the structure of proceedings at the Market Discussions, a wide-spectrum of views will be sought from representatives of consumers, producers, trade and industry associations and environmental NGOs.

(2) Study of the Feasibility of Strengthening Incentives for the Management of Tropical Moist Forest for Sustained Production in a Producer Country

Budget and Funding Sources:

Govt. of U.K (Preparatory Phase)	£ 30,000
Govt. of U.K and Denmark (Phase 1 and 2)	£ 267,000
Govt. of Ghana (in kind)	Costs relating to vehicles, support staff and office accommodation.

Implementing Agency:

International Institute for Environment and Development (IIED)

Starting Date and Duration:

December 1991 - November 1993

The Project aims : to design and analyze a coherent system of incentives to promote and motivate the sustainable management of the tropical high forest in Ghana; to prepare a general methodology for such work; and to identify a strategy for implementation in Ghana

The work is divided into four phases :

- | | | |
|-------------------|---|---|
| Preparatory Phase | - | December 1991 - June 1992: detailed design of the project and definition of the objectives and approaches. |
| Phase 1 | - | July - December 1992: data collection and analysis and identification of areas of intervention. |
| Phase 2 | - | January - May 1993 : design of the incentives. |
| Phase 3 | - | Implementation (administration to be decided).
Planning for this phase will be an important component of the final report which will be submitted to the 13th Session of the Permanent Committee in November 1993. |

The preparatory phase was completed on schedule and the details of the project's subsequent phases 1 to 3 were formulated, indicating the planning, concept and objectives of the project.

Work on Phase 1 began in July 1992. This involved the early stages of data collection and identification and analysis of issues categorized under two clusters: a) social, legal and institutional issues; b) trade, industrial and economic issues. Work is proceeding on the overall issue of forest management and policy.

(3) Forest Resource Accounting: Monitoring Forest Condition and Management

Budget and Funding Source:

Total budget	\$ 390,000
Govt. of U.K	\$ 240,000
Contribution of 3 selected countries: (Cameroon, Ecuador and Indonesia)	(in kind)

Implementing Agencies:

International Institute for Environment and Development (IIED) and World Conservation and Monitoring Centre (WCMC).

Starting Date and Duration:

December 1991 - May 1993 (Phase 1 and 2)
Phase 3, to be determined.

The objectives of the Project are :

- To develop a forest resource accounting (FRA) methodology for carrying out accurate quantitative assessments of the condition of a country's forest resources, enabling tropical timber producer countries to carry out a comprehensive evaluation of the standard of management of their forest resources and to update such an evaluation on a regular basis.
- To achieve a consensus on the FRA methodology developed between the main agencies involved in the field of tropical forestry (ITTO, FAO, UNEP, IIED, IUCN, WCMC and WRI).
- To demonstrate the feasibility of the FRA methodology developed and its utility for ITTO Target 2000 reporting by assisting selected countries to test and fine-tune the methodology.
- To promote adoption of FRA in all ITTO producer countries and ultimately in all tropical forest countries.

The work under the Project is divided into phases :

a) Phase I - (December 1991 - May 1992)

This is the design phase. A forest management expert and a data management expert will design a forest resource accounting methodology suited to the information; planning and management capabilities and needs of producer countries. Special attention will be paid to forest management and data management.

b) Phase II : Pilot Phase - (August 1992 - March 1993)

This involves the assembly of data from 3 producer countries selected in the Design Phase; and the preparation of a programme which would implement and regulate the regular collection of data from the producer members of ITTO and its storage, use and dissemination. The responsibilities of governments, the ITTO Secretariat and any other organizations (such as FAO, WCMC and its partners UNEP, IUCN and WWF) which might be involved in the implementation.

c) Phase III - Timing to be determined to follow closely upon Phase II.

This phase involves tentatively introducing FRA to all producer countries; communication of the significance of FRA to consumer countries; implementing an ITTO programme to collect FRA data from the producer members of ITTO, and to store, use and disseminate FRA data; further developing FRA to build in national requirements (e.g. forest growth data, forest inventory) in addition to the international data protocols.

During the period under review the work of design under Phase I was completed and a report on it was submitted to the Eleventh Session of the Permanent Committee. The outline of the objectives and activities envisaged under Phase II follow hereunder :

Aim and Objectives:

The overall aim of Phase II is to assess the feasibility of establishing national Forest Resource Accounting (FRA) systems in three producer member countries of ITTO; and, in light of this, to finalize the generic FRA design for consideration by the International Tropical Timber Council in May 1993. The specific objectives are:

- a. To examine the requirements and implications of conducting FRA in three pilot countries, Cameroon, Ecuador, and possibly Indonesia (one or two provinces only).
- b. To determine the current, potential and desirable uses of forest information and responsibilities for the same.
- c. To review the availability and quality of national forest information, and associated procedures and systems.
- d. To identify constraints to achieving potential and desirable uses of forest information:
 - where any constraint would make FRA infeasible in a given country, to determine the implications of this for the international FRA design
 - where it is judged that constraints can be overcome, to identify ways to overcome them
- e. To determine the appropriate balance of national objectives and ITTO objectives for conducting FRA in each country.
- f. To outline the resource, technological and manpower requirements for successful FRA in each country, and to prepare complete proposals for beginning trial FRA installation in each country, noting in particular the external assistance requirements.

- g. In light of the country feasibility studies, to finalize the overall international FRA design, for presentation to ITTO, noting in particular the role of ITTO and the general range of requirements that countries may require to operate FRA.

Operating Principle:

All the above work will be conducted with the full participation of government authorities and interested/capable NGOs in each country; and in consultation with international bodies active in forest monitoring, notably the FAO Forest Resources Assessment 1990 Project and its successor(s). Such participation is essential because FRA should not replace existing national systems, instead, it should build on them, using the data gathered by them through current administrative frameworks, in a way that will add value to this work.

Terms of Reference for IIED/WCMC International Coordination of Phase II:

- To organize the three national studies, taking responsibility for assuring technical quality, and all associated administrative issues. (However, in-country workshops and collaboration would remain the responsibility of the national ITTO contact).
- To coordinate the results of the three national studies
- To prepare an analysis of the three national studies, drawing out implications for the use of FRA by all ITTO members and for the ITTO Secretariat.
- To hold an international FRA workshop to assist in this analysis of the three country reports. Attendance: IIED, WCMC, ITTO, FAO, TREES, ODA, the (maximum three) forest management consultants, the information systems consultant, and the three national study coordinators.
- To finalize the general FRA rationale and design for presentation to the ITTC in May 1993, along with a paper on the implications of FRA for ITTO and its members, covering the costs and benefits of FRA and recommendations for adopting it.
- If appropriate, to prepare also an FRA GIS presentation for the ITTC in May 1993.
- To prepare three detailed national project proposals for Phase III implementation.

Summary of Expected Phase II Outputs:

- Three national feasibility studies for FRA.
- Up to three sketch designs for national FRA, where FRA is considered feasible; these would outline the resource and training requirements (full design would proceed in a prospective Phase III, setting up the national systems for trial implementation).
- Revised generic FRA design for presentation to ITTC, including illustrations of generic resource requirements.
- If appropriate, an FRA GIS presentation for the ITTC in May 1993.
- Up to three project proposals for national FRA systems for Phase III.

Terms of Reference for each in-country study:

Preparation of detailed work plan and initial in-country identification of information sources:

A detailed programme of work would be developed for each country, in advance of the visit by the IIED/WCMC consultants. This would be done by the national contact, in light of a generic plan prepared at the beginning of Phase II by IIED/WCMC. The national contact would also make a preliminary identification of information sources available in country, according to a checklist prepared at the beginning of Phase II by IIED/WCMC.

Initial in-country FRA workshop:

This would explain the purposes of the in-country study; encourage initial discussion on the potential for FRA meeting national needs; and explain the rationale and draft design prepared during Phase I. The rationale and draft design documents would be translated into French and Spanish in good time for these workshops. Attendance: all major in-country agencies involved in forest management, timber concessions, forest information, protected area management, legal and land-related affairs, ITTO affairs, and representatives of NGOs and forest peoples' groups.

In-country Information collection/review:

The following would be reviewed:

- Current forest information type and availability: forest inventory, forest management/concession monitoring, legal land registration and monitoring, forest protected area information and monitoring, ecological monitoring; and their scope of coverage i.e. land categories, and responsibilities for same.
- Current procedures and systems for information collection, handling (databases and GIS in particular), presentation, and use, and responsibilities for same.
- National plans connected with ITTO and Target 2000 (especially information, inventory and reporting activities).
- Other initiatives working in similar fields in the country.

Analysis of potential for national FRA:

- From the above and from the draft FRA design, identify the potential national uses of FRA, including meeting the annual reporting requirements for ITTO.
- Identify the potentially appropriate users of FRA, the potential providers of information for FRA, and the potential operator(s) of FRA.
- Consider the potential for independent FRA as well as self-monitoring FRA.

Analysis of constraints against national FRA:

- In light of the draft FRA design and findings in-country, identify constraints to FRA e.g.:
 - * current supply and quality of forest information
 - * current demand for information i.e. is FRA (or similar) considered important?
 - * ability and objectivity in assessing forest management quality and forest condition.
 - * manpower and equipment
 - * access to remote sensing
 - * financial resources
 - * political issues
 - * other institutional issues

Judgement of feasibility of national FRA:

- From the above, discuss constraints that will either:
 - * require reorientation of the generic FRA approach to make it workable and/or desirable in-country, or
 - * that will render FRA - in any guise - infeasible in-country.
- Discuss ways of overcoming constraints, to be incorporated in national FRA design.
- For both types of constraint, discuss the implications for the international FRA protocol.

Outline the requirements for successful national FRA:

- Main national purpose (in addition to ITTO minimum)
- Main FRA monitoring categories.
- Scope of coverage e.g. will all forests be covered, or just the national forest estate?
- Phasing, if it is felt that FRA should start small and grow with experience.
- How the FRA system would build on current capabilities.
 - * Outline database/GIS system
 - * Data collection, processing and reporting procedures
 - * Responsibilities for information collection, processing reporting
 - * Responsibilities for independent monitoring of FRA, if any
- Indication of costs and benefits of FRA, including:
 - * Likely resource and training requirements for each responsible agency.
 - * Likely direct cost savings realized as a result of building FRA into current information systems.
 - * Broader analysis of benefits e.g. in improved forest management and forest resource valuation.
- Proposal for Phase III:(provisionally, this might include a complete design of national FRA, and its installation and development over a trial period of e.g. three years).

Final in-country seminar on national FRA:

To examine the above feasibility analysis, outline national FRA design, and proposal for Phase III. Attendance would be similar to the first workshop.

2.2 Projects

At its Tenth and Eleventh Sessions, the Permanent Committee reviewed progress on the status of various Projects approved for implementation by the Council. They are PD 66/89 (M) (approved in 1989); PD 42/88 Rev.1 (M) (approved in 1989); PD 82/90 (M), PD 118/90 (M) (approved in 1990); PD 124/91 Rev.1 (M), PD 158/91 Rev.1 (M), PD 167/91 Rev.1 (M), PD 173/91 Rev.1 (M) later revised to Rev.2 (M), PD 182/91 (M) (approved in 1991).

The Committee approved, during the period under review, five Projects : PD 12/92 Rev.2 (M), PD 27/92 Rev.1 (M), PD 31/92 Rev.1 (M), PD 36/92 (M) and PD 40/92 Rev.1 (M).

Review of the activities under two other projects : PD 60/88 (M,F,I) and PD 73/88 (M,F,I), of relevance to the sphere of Economic Information and Market Intelligence is covered in the appropriate sections of the Report on Forest Industry.

2.2.1 Completed Projects

In the period under review four Projects were completed, viz. PD 7c/87 Rev.1 (M), PD 82/90 (M), PD 66/89 (M) and PD 158/91 Rev.1 (M).

- (1) PD 7c/87 Rev.1 (M) Statistical Information and Market Indicators : Market News Service for Tropical Timber and Timber Products

Budget and Funding Sources:

Total Budget	\$ 772,078
Govt. of Sweden	\$ 386,039
Govt. of Switzerland	\$ 386,039

Implementing Agency:

International Trade Centre (UNCTAD/GATT)

Starting Date and Duration:

1 January 1990 - end of January 1992 (two years).

This project marked the closure of the first phase of the Market News Service Project which was started in January 1990. The first report issued on 26 June 1990 and regularly thereafter, on alternate Tuesdays. Transmission had so far been made to subscribers, contributors, government departments, and trade and industry associations worldwide.

In the last report to the Committee full account was made of its two-year operation. The constituency of subscribers was growing; distribution was widening. The income from the subscription could not be expected to cover the full cost of operating the MNS. However, it had helped in defraying part of the operational costs.

The final closure of this phase of the Project took place at the end of January 1992. It was to be followed up by a successor Project PD 173/91 Rev.1 (M), which is covered later in this Report.

- (2) PD 82/90 (M) Workshop on Issues Related to Incentives to Promote Sustainable Development of Tropical Forests.

Budget and Funding Sources:

Total Budget	\$ 215,043.40
Govt. of Australia	\$ 15,043.40
Govt. of Japan	\$ 200,000.00

Implementing Agency:

ITTO

Starting Date and Duration:

1 October 1991 (six months)

This Workshop was organized in accordance with Council Decision 3(X). It was held in Melbourne, Australia, from 17 to 21 February 1992. The Chairman/Moderator was Dato' Muhammad Jabil (Malaysia). The two Consultants who prepared the working document for the Workshop served as Joint Rapporteurs; they were Mr. A.J. Leslie (Australia) and Mr. Peter Boateng (Ghana). Twenty selected experts and seventeen other participants offered comments on the background document and joined in the discussions at the Workshop.

It may be recalled that the Workshop's terms of reference requested it to consider issues related to incentives to promote sustainable development of tropical forests through trade, and specifically to identify options for members in formulating trade policies, based on the following guiding principles:

- (i) Monitoring of the international timber trade through timely and accurate information on the market, including prices;
- (ii) Improved utilization and increased value of forest products through the introduction of improved technology and management practices, more efficient and better use of tropical forest and forest products;
- (iii) Market mechanisms to cover the costs of sustainable management of tropical forests.

The Workshop considered incentives as including penalties as well as rewards. It was recognized that trade-related incentives were at best supplementary to those incentives applied directly in the forests. The Workshop was confronted with several difficult issues, including the major role played by domestic markets for timber products, the important role of non-wood products and the role of trade-related measures in a total package of incentives. However, due to time constraints, it was necessary to focus the discussion on timber products destined for the international market.

Five options were identified for consideration in the formulation of trade policies consistent with the ITTO Target 2000:

- General market development for tropical timber products in both domestic and international markets;
- Forest-based industrialisation in producer countries, within the limits of sustainable management;
- More efficient use of tropical timber in both producer and consumer countries;
- Guidelines and standards for the conduct of trade as formulated by governments and other agents;
- Measures to improve market transparency.

The Workshop identified seven areas of trade-related incentives through which these options might be implemented:

- (i) **Training** in the use of advanced processing technology and in market development, research and promotion;
- (ii) **Technical assistance** to enhance efficiency, performance and quality control in processing and marketing to establish joint ventures, and for industrial planning and development;
- (iii) **Market research** in end uses, market trends, and specially niche markets;
- (iv) **Information** on technology developments, trade flows and prices;
- (v) **Financial assistance** through grants, loans and tax exemptions;
- (vi) **Joint ventures** to give access to information and finance, and to facilitate planning and partnerships;
- (vii) **Trade policy** to reduce and/or eliminate import and export tariff and non-tariff barriers.

Among the most important and challenging questions facing the Workshop were those dealing with sources and application of funds to provide incentives for sustainable management. Fund sources were placed into two categories:

- internal, or self financing, including levies applied to timber products and royalties, taxes and other collections as part of timber production;
- external, including, for example, general tax revenues in producer or consumer countries, or private grants.

There was general agreement that self-financing opportunities for sustainable management were limited as competition from timber substitutes will not permit the simple passing on of associated costs. It was also agreed that an area for further inquiry was the extent to which consumers might be willing to express their support for sustainable management.

Based on these discussions, the Workshop developed a series of recommendations for consideration by the ITTC at its forthcoming 12th Session in Yaoundé.

- (3) PD 66/89 (M) Study of the Trade and Markets for Tropical Hardwoods and Derived Manufactures in North America.

Budget and Funding Sources:

Total budget	\$181,460
Govt. of Canada (CIDA)	Study directly commissioned by CIDA for ITTO

Implementing Agency:

John V. Ward & Associates, Washington D.C., USA

Co-operating Agencies:

Forestry Canada and U.S. Department of Agriculture Forest Service

Starting Date and Duration:

March - September 1992

The Project was initiated as a follow-up of studies of the markets for tropical timber in Europe (1988) and Japan (1990). The objectives of the Study were :

- Determine the size and trends in the markets for tropical timber in Canada and the United States.
- Recommend actions which might be taken by ITTO, Canada and USA and the supplying countries.

Conclusions of the Report:

The following are the findings of the Report :

Demand and Imports

- North American consumption of wood products has been growing at a rate of about 2% per year in the last ten years. Current consumption of nearly 183 million cubic meters is projected to increase to 223 million by the year 2000.
- Canada and the USA rank as the world's largest importers of wood products. However, most of this trade is between the two countries; 97% of their log imports; 95% of lumber imports; and 54% of panel imports.
- North America is virtually self-sufficient in softwood requirements.
- Hardwood demand is also supplied primarily from domestic production. Even so, log, lumber, veneer, and plywood imports fill special requirements and, in 1991, totalled \$611 million (excluding intra-trade).

- And, tropical hardwoods account for over 95% of hardwood imports.
- North American imports of tropical hardwood logs, lumber, plywood and veneer peaked in 1985, then fell substantially. From 1980 to 1991 imports of:
 - * lumber declined from 494 to 241 thousand cubic meters,
 - * plywood declined from 1767 to 1180 thousand cubic meters.
 - * veneer increased from 91 to 95 thousand cubic meters.
 - * logs increased from 6 to 10 thousand cubic meters.
- A decline in overall economic growth and in building construction accounted for most of the decline.
- Imports of value added products increased in dollar value since 1980.
 - * Furniture and furniture parts increased from \$626 million in 1980 to \$2802 million in 1990.
 - * Other value added products increased from an estimated value of \$131 million in 1980 to \$200 million in 1991.
- Over 70% of North America's tropical wood imports are supplied by Asian countries, led by Indonesia (57%) and Malaysia (10%).
- Plywood is by far the leading basic tropical wood import, accounting for 80% of the total.
- About 10 species, mostly dipterocarps and American mahogany, account for the bulk of imports. Lesser known species have a small but secure portion of specialty end use markets.

Domestic Production

- North American forest resources are large, containing significant volumes of both softwoods and hardwoods. Not surprisingly, these resources provide over 90% of domestic consumption.
- North American production of hardwood and softwood lumber and plywood and other panel products have declined since 1989, for the most part because of declining residential and industrial construction. In fact, current levels for hardwood lumber and plywood and softwood plywood are below those of the early 1980s when building construction hit a similar low.
- While imports of hardwood products have decreased along with domestic consumption, tropical wood imports have continued to hold a 95% share of the import market.
- North America's principal markets for tropical wood imports were taking the following shares of basic tropical products in 1990.

NORTH AMERICA'S PRINCIPAL MARKETS FOR TROPICAL WOOD 1990

	LUMBER	PLYWOOD
Housing/construction	15	30
Furniture	35	25
Cabinets	10	15
Millwork/joinery	25	10
Containers	1	1
Other	14	19
Total	100	100

- North America is an open market for tropical timber. Most imports of wood products enter North America without tariffs and such tariff as remain are gradually being reduced under unilateral trade negotiations. Virtually all wood imports from tropical countries enter free of tariffs under special trade concessions.
- Concerns about diminishing tropical forest area will lead to increased attempts to legislate import restrictions on tropical wood imports; however, our expectation is that these efforts will have minimal impact on overall usage.

The Future

Expectations by the year 2000 are that:

- Central and South American countries will increase their shares of the tropical lumber import market.
- tropical log imports will remain small, about 20 thousand cubic meters.
- lumber imports will double to mid 1980's levels, about 500 thousand cubic meters.
- plywood imports should recover to 1985's volume of about 2.0 million cubic meters.
- imports of value added products should increase to \$6.5 billion, an annual increase of about 8%.
- Overall imports of basic and value added tropical wood products should equal about \$7.5 billion.

Major Recommendations

- ITTO should primarily assist tropical countries in building exports of value added products to North America.
 - The supplying countries should aggressively expand their efforts to produce and export quality value added products.
 - The governments of Canada and the USA should assist the ITTO and supplying countries in that endeavour.
- (4) PD 158/91 Rev.1 (M) Market Intelligence: Analysis of the Wood Flow as a Basis for an Early Warning System for the Tropical Timber Market - Phase II: Testing the System

Budget and Funding Source:

Total budget:	\$ 180,700
Govt. of Japan	\$ 107,700
Govt. of Netherlands	\$ 73,000

Implementing Agency:

Stichting Bos en Hout (SBH), Wageningen, Netherlands

Starting Date and Duration:

October 1991 (one year)

PD 158/91 Rev.1 (M) was designed to test the blueprint of the market information system as developed under ITTO's project PD 14/87 (M): "Market Intelligence; analysis of the wood flow as a basis for an early warning system for the tropical timber market". The project has progressed favourably, so that the results will be available for publication before the end of this year.

With a view to achieving ITTO's "Target 2000", the need for accurate and up-to-date market information is ever increasing. At present, discussions on the tropical timber market often run adrift due to the lack of suitable and reliable information. Project PD 158/91 Rev.1 (M) was designed, in part, to meet this need for information.

Results of the Project:

The projected market information system intends to describe the tropical timber flows in various European countries. Descriptions start at the import phase and finish at end-use. They contain quantification by form (roundwood, sawn timber, veneer, plywood) as well as by species. The basic data for the descriptions were compiled using questionnaires, foreign trade statistics and interviews. The initial results demonstrate that the system does provide the information for which it was designed. It clearly shows that the system provides unique information that had never been available in the past. Furthermore, it adds such details to the current trading information that the flow of individual wood species can be followed from the moment of import through to end-use. However, some gaps in the information supply do exist. These arise in particular as a result of trade or sector organizations not being able to cooperate in the compilation of additional data, or not being able to do so to an adequate degree. However, the system's added value is unmistakable. With some extra effort, it should be possible to close even these remaining gaps in the future.

Project PD 158/91 Rev.1 (M) focused exclusively on compiling market information for 1991, for a limited number of consumer countries. However, the object of the developed system is to initiate a continuous information flow. This entails compiling, processing and analyzing the most up-to-date information every year by means of questionnaires, trade statistics, inventories and interviews. In order for the system to function correctly, the continuous flow of data is essential. This will advance the development of a good relationship with the providers of information that is based on mutual trust, and will optimize the flow of information. Consequently, the number of gaps may decrease while the reliability and accuracy of the data will increase. With continuity, it will be possible to maintain both the infra-structure and the expertise necessary to manage the system.

Only seven European countries were involved in the current test phase. The original system design (see PD 14/87 (M)) focused on charting wood flows in all EC countries and Switzerland. At a later stage, the geographical market area may be enlarged with the non-European consumer countries, such as the USA and Japan. With time, it would then be possible to chart the tropical wood flows to and within all consumer countries. This consumer information is balanced by information from the producing countries. This includes such information as the availability of tropical timber for the export market both on the short and the long term, supplemented by other relevant information. By regularly charting both sides of the timber market, the supply and demand, it will be easier for both parties to adjust their supply and demand. This will advance the stabilization of the tropical timber market and thereby directly meet the previously mentioned ITTO objectives. In addition, where information on the tropical timber market is important, it will also be possible to base discussions within the ITTO on reliable facts and figures, more so than ever before.

- (5) PD 12/92 Rev.2 (M) Seminar and Study Tour on Technology Transfer in Tropical Forest Management and Utilization

Budget and Funding Sources:

Total budget	\$318,679
Govt. of Japan	\$318,679

Implementing Agency:

ITTO

Starting Date and Duration:

July - end November 1992

An International Seminar and Study Tour on the theme : "Integration of Forest Management and Processing for the Rational Utilization of Forest Resources" was organized in two parts in conjunction with the 13th Session of the ITTC. The Seminar and Study Tour was sponsored by the Japanese Government in cooperation with the Kanagawa, Shizuoka and Hiroshima Prefectural Governments. The objective of the Seminar and Study Tour was to afford the participants the opportunity to observe projects in tree-planting activities, land tenure systems and wood processing technology in Japan, thereby contributing to the learning experience of particularly the developing country participants, who are involved in forest sector development in their countries.

The Chairman of the Programme was Mr. Eden Shand, a Senior Consultant in Forestry (Trinidad & Tobago) and the Rapporteur, Dr. Douglas Malcolm (UK), School of Forestry, University of Edinburgh. The first part of the programme was a one-day Seminar and Study Tour in Hakone on Sunday 22 November 1992. This involved a presentation on the theme of the seminar by Mr. C.D. Pandeya, former Inspector General of Forests of India, a general discussion and a visit to the Otome Forest Park.

The second part (25-27 November 1992) was a three-day programme comprising a study tour to some forest industries in Hiroshima, Nukui and its environs, and a visit to a forest site in Tsutsuga where there was a tree-planting ceremony. A Seminar was held on 27 November 1992 with the following presentations :

Tree Planting Activities :	Mr. Yoshio Utsuki (Director General, Forest Tree Breeding Centre, Mito, Japan)
Forest Land Tenure - Japanese Experience :	Prof. Ryoichi Handa (Emeritus Professor, Department of Forestry, Kyoto University, Kyoto, Japan)
Tree Planting Activities in Indonesia :	Mr. Wartono Kadri (Director-General, Agency for Forestry Research and Development, Jakarta, Indonesia)
Products and Technologies in Small-Scale Forest Industries Development :	Mr. Theo Erfurth (Germany) (retired FAO official)

There were general discussions. A summary of conclusions was adopted. On the same day an Open Forum was organized by the Hiroshima Prefectural Government to enable the general public to learn about Japan's policies in reforestation and about ITTO. The full report will be circulated to members of the ITTO.

2.2.2 Projects in Progress

- (1) PD 42/88 Rev.1 (M) The Structure of China's Tropical Timber Market, the Current Situation of International Co-operation of the PRC, and Prospects to the Year 2000.

Budget and Funding Sources:

Total budget	\$ 129,500	
Govt. of France	\$ 99,500	
ISTIF	\$ 30,000	(in kind)

Implementing Agency:

Institute of Scientific and Technical Information of the Chinese Academy of Forestry (ISTIF)

Starting Date and Duration:

1 August 1991 (two years)

Since the start up of the Project in September 1991, field work and investigation had proceeded in the main regions of China importing and processing tropical timber. Further data have been collected in China's main tropical forest areas. The data collected relate to the following :

- a) The import and export trade situation of China's main forest products in the past five years;
- b) The situation of forest resources and forest products production in the areas concerned;
- c) The Ten-Year Programme and the Eighth Five-Year Plan for National Economy and Social Development in the areas visited; and
- d) The current situation of forest products supply and demand and prospects for the future.

Other activities undertaken include the following :

- i) Preparation for the establishment of a "Database of China's Tropical Timber" including a data structure analysis, data definition, input/output formal design, data base structure design, system analysis, system design, and program design using CDS/ISIS developed by UNESCO.
- ii) Survey visits to Malaysia, Indonesia, Papua New Guinea, France and Brazil.

- (2) PD 118/90 (M) Training Workshops on Tropical Forestry and Timber Trade Statistics

Budget and Funding Sources:

Total budget	\$ 595,652
Govt. of Japan	\$ 595,652
Participating countries	(in kind)

Implementing Agency:

ITTO

Starting Date and Duration:

1 December 1991 (2 years)

The first Workshop for francophone African producing members was held at the University of Dschang, Cameroon, from 13 October to 1 November 1991. In 1992 consultations and arrangements were concluded for the second Workshop for Spanish-speaking members in Latin America, including Brazil. INDERENA of Colombia was contracted to organize the Workshop in Cali (Colombia) from 1 - 19 March 1993. Participants were selected from Brazil, Colombia, Peru, Bolivia, Honduras, Panama and Ecuador.

- (3) PD 124/91 Rev.1 (M) Study of the Substitution of Bamboo for Tropical Timber as Raw Materials in China

Budget and Funding Sources:

Total budget	\$ 251,300	
Govt. of Japan	\$ 191,300	
Chinese Academy of Forestry	\$ 60,000	(in kind)

Implementing Agencies:

Bamboo Information Centre and Chinese Academy of Forestry (CAF)

Starting Date and Duration:

1 January 1992 (2 years)

From the start a Project Team was put together to organize and monitor the implementation of the Project. They are :

Prof. Zhu Shilin	-	Project Leader
Mr. Li Weidong	-	Co-ordinator
Mr. Zhang Xinping	-	Editor, Bamboo Information
Mr. Guo Ge	-	Engineer (Forest Industry)

The team will be relying on the assistance and cooperation of some 1200 researchers of the Chinese Academy of Forestry and its Bamboo Information Centre. Together with some leading experts in China, the Project Leader sponsored the formation of a Chinese Bamboo Society which will play an important role in the cultivation, processing and utilization of bamboo plants in China. These activities will have an impact on the outputs of the present project. Upon request of the Project Team, some specialists in wood processing visited bamboo processing mills and research institutions, collected materials on Chinese bamboo machines and on Chinese bamboo research project, both completed and on-going. The data will be processed and input into computer to form a database. The members of the Project Team have undertaken missions abroad to establish contacts with experts and institutions engaged in bamboo research in USA, UK, Germany, India and Indonesia. There have been field visits to various regions of China to collect materials on the bamboo industry in China. The data collected relate to : bamboo resources; socio-economic conditions; bamboo-processing enterprises, then products, capacities and plans for future development; utilization of tropical timber; and, management of bamboo industry and obstacles to its further development.

Under the Project, an International Symposium on Industrial Use of Bamboo was planned and organized in Beijing from 7 to 11 December 1992. Some selected Chinese and foreign bamboo experts were invited to participate and contribute papers. The session topics were : Bamboo Resources; Bamboo Culm Processing and Utilization; Social and Economic Aspects of the Bamboo Industry. ITTO sponsored ten participants. There was a post-symposium study tour (12-18 December 1992) to bamboo-related institutions in Nanjing, Shanghai and Hangzhou, southeast China. ITTO was duly represented at the Symposium.

Sixty-six experts on bamboo participated in the meeting, thirty-two from ten provinces of China, thirty-four from 17 countries of Asia, Europe, Africa, Oceania and USA, among them such leading bamboo scientists as, Prof. W. Liese (Germany), Prof. A.N. Rao (Singapore), Dr. Songkram Thammingcha (Thailand), representative of IUFRO (International Union of Forest Research Organizations) and Dr. Fang Fushen, President of Chinese Bamboo Society. Fifty research papers were presented at the symposium.

About 120 persons attended the opening ceremony and closing meeting, among whom were Mr. Xu Youfang, Vice-Minister of Forestry, Prof. Chen Tongai, President of the Chinese Academy of Forestry and other officials from the Ministry of Forestry, Chinese Academy of Forestry, Ministry of Foreign Economic Relations and Trade. Correspondents from People's Daily, Guangmin Daily, Science and Techniques Daily and China Central Television covered the meetings. China Central Television reported the opening ceremony in the evening news of 7 December 1992, the People's Daily (the most widely circulated newspaper in China) reported the closing meeting and wrote a feature article on the status of bamboo utilization in China.

Participants made positive comments on this symposium. They considered that the symposium was very useful since it would have great impact on several aspects of the world bamboo industry and bamboo research. They paid tribute to IITTO for sponsoring this important meeting and to the Chinese Academy of Forestry for successfully organizing this symposium.

Thirty participants took part in the post-symposium study tour. They visited Nanjing Forestry University, Shanghai Botanical Garden, the Subtropical Forestry Research Institute of the Chinese Academy of Forestry, Anji Bamboo Orchards and some bamboo processing workshops.

Two versions (English and Chinese) of the Proceedings were printed prior to the beginning of the meeting and distributed to all the participants on registration. Based on the symposium discussion, a group of selected scientists drafted a Beijing Bamboo Recommendation which was discussed and approved by all the participants.

Photo Album of Bamboo as a Substitution for Timber

According to the project document a photo album of bamboo will be printed in the fourth quarter of 1993. The compilation of this album is under way. Letters calling for contribution have been sent to all the bamboo provinces at the beginning of this year. An expert group will visit selected provinces in April 1993 to take photos on the spot.

Final Report "Current Status of Bamboo Resources in the Substitution of Tropical Timber"

Work is proceeding on discussing the structure and contents of the final report.

- (4) PD 173/91 Rev.2 (M) Market News Service for Tropical Timber and Timber Products, Phase II

Budget and Funding Sources:

Total budget	\$ 750,000
Govt. of Sweden	\$ 300,000
Govt. of Switzerland	\$ 300,000
Govt. of Japan	\$ 150,000

Implementing Agency:

International Trade Centre (UNCTAD/GATT)

Starting Date and Duration:

1 January 1992 (2 years)

This is the second phase to project PD 7c/87 Rev.1 (M), and is designed to ensure the continuation of the Market News Service for another period of two years (1992-1993). Initially Sweden and Switzerland each pledged \$ 220,000 towards co-financing the project. The Council had, however, authorized the continuation of the MNS for at least one year pending the availability of more

funds. The Governments of Sweden and Switzerland, meanwhile, decided to increase their pledges each to \$ 300,000 on condition that the budget of the project be reduced to \$ 600,000 for the two year period of 1992-1993. In consultation with the ITTO and ITC they had also agreed to release \$ 100,000 each (total \$ 200,000) to tide the operations of the MNS over from January 1992 till after the Council's anticipated approval at its Twelfth Session of the revised budget.

However, following an offer by Japan and after due consultations between ITC and ITTO, a revised project document, PD 173/91 Rev.2 (M), was prepared with a budget of \$ 750,000 and submitted to the Committee for consideration.

Due to unavoidable delay in release of funds during the first six months of 1992 it has not been possible to increase the product coverage nor to further implement the paid subscription scheme as intended. However, some progress was made on these matters in the second half of 1992.

Provision of information from some developing countries/regions is handicapped by communication problems and some preliminary discussions have been held with a view to establishing one or more centres in those regions where market data and news can be collected for onward transmission to ITC.

The Market News Service (MNS) continued to transmit promptly its fortnightly reports to subscribers in industry, government and other organizations in more than 40 producing and consuming countries. Since the start of the Market News Service for Tropical Timber there has been a noticeable increase in market transparency through dissemination of price and other data in trade and other publications and through trade organizations, some of which quote MNS reports and other, new sources which emulate the MNS format.

Information - Sources for provision of regular, reliable price and other information are not easy to find and to maintain. MNS relies partly on the contributions of the many unpaid correspondents worldwide who contribute regularly and at their own expense to the MNS reports.

Although there is currently no budget line for paid "subcontractors" MNS had previously three paid correspondents. This number fell to two in 1992. So far, it has not been possible to locate a reliable source of collated information from African producing countries and MNS has held discussions with possible correspondents to try to remedy this considerable problem.

The Project Steering Committee has been established comprising the following:

- One representative each of the 3 donors (Sweden, Switzerland and Japan)
- One representative each of trade representatives from a Producer and Consumer member country
- One representative from the ITTO Secretariat
- One representative from the ITC Secretariat (Executing Agency)

The Committee will be meeting in the course of the Session to consider the following agenda:

1. Review of project background and progress to-date.
2. Current project status
3. Framework for user survey
4. Identify gaps and deficiencies in operation and advise on improvements and additions to the service.
5. Explore the modalities and policy for extension of the subscription system to increase the level of self-financing.
6. Closer cooperation and integration with ITTO Market Information Service.
7. Strategy for continuation of the service on completion of Phase II.

The Project Steering Committee directed that greater emphasis be placed on obtaining paid subscriptions and this was to be extended to include the requirement for governments and other institutional receivers also to pay for the report. Conversion from free to paid subscription was proceeding steadily though it is clear that services of this type can never be totally self-funding.

The Project Steering Committee also recommended that efforts should be made to secure funding for the project on an extended, long-term basis, in effect considering this to be a permanent ITTO service. ITC/MNS was to prepare a Project Proposal for a Phase III extension of a further four years.

(5) PD 167/91 Rev.1 (M) Diagnosis and Evaluation of the Brazilian Forestry Sector

Budget and Funding Sources:

Total budget	\$,660,000
Govt. of Norway	\$ 150,000
Govt. of Japan	\$,510,000

Implementing Agencies:

Brazilian Institute for Renewable Natural Resources (IBAMA) and Brazilian Foundation for Nature (FUNATURA)

Starting Date and Duration:

November 1992 (1½ years)

Preparations had been in progress before the release of funds and start up of the Project. By the end of 1992 a review of the basic bibliography had been undertaken. This involved a review of the 1982 Diagnostic prepared by the former Brazilian Institute for Forestry Development (IBDF), the 1978 Perspective Studies of the Brazilian Forestry Sector (1979-1985) prepared by FAO in cooperation with IBDF, and a few other previous partial surveys of forestry and forest-industry activities. The main analytical and methodological gaps and deficiencies of these surveys have been indentified.

On the basis of this review of bibliography, and considering the comparatively more ambitious objectives of the present Diagnostic project, the coordinating unit had been preparing a very detailed specification of the Terms of Reference of each major part of the entire work. Special attention was being given to the spatial and regional differentiation of forestry activities as they have evolved, and are presently being undertaken in the country. This was to enable the Regional Coordinators to capture such diversity in the surveys or analyses to be carried out at the level of each state/region of the country.

Arrangements were also being made to identify and procure the appropriate configuration of computer equipment to be imported for the work.

(6) PD 182/91 Rev.1 (M) Analysis of Macro-Economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber in the Asia-Pacific Region - Phase I

Budget and Funding Sources:

Total budget	\$ 399,000
Govt. of Japan	\$ 399,000

Implementing Agency:

Reid, Collins and Associates, Vancouver, Canada

Starting Date and Duration:

1 November 1992 (10 months)

The study has been commissioned from a Consultancy Firm, Reid, Collins and Associates in Vancouver, Canada. The Project Agreement has been signed and the project is due to begin on 1 November 1992. It is envisaged that the study will be completed in ten months by September 1993.

Data Collection

Field work to collect data in producing countries on forest resources, production and exports was completed between November 1 and December 19, 1992. Visits were made to the Philippines, Sabah, Sarawak, Peninsular Malaysia, Singapore, Indonesia and Papua New Guinea. Most required data were available in Government and/or Industry Associations. The exception was in Indonesia where recompilations were required.

Field work to collect data in the consuming countries occurred in two shifts. Korea and Japan were visited between December 4 and December 20, 1992. China, Hong Kong and Thailand were to be visited in January 1993.

Economic Analysis and Modelling

Most of the analysis to date has been to understand and assess the underlying trends in the demand and supply of tropical hardwoods in the Asia-Pacific region. Previous research from other consultants and agencies has been obtained and studied as part of this process.

Econometric development of some of the demand and supply equations is underway. However, as noted, we are still waiting for some of the data in order to develop some of the equations. Furthermore, some of the data are not available for econometric analysis.

The consultants have reviewed a significant amount of the economic trade modelling literature, ranging from TROPFORM, a comprehensive simulation model of the tropical rain forests and world trade in tropical hardwoods, the Global Trade Model and the model of world timber and end-product markets developed by Constantino and Ingram for the 1990 Indonesia project. Based on this review and the objectives of the study, the consultants have adopted a Price Endogenous Linear Programming Model developed at the University of Wisconsin, Madison, United States. The model runs on a micro computer (386 +) and can be used to predict consumption, production and capacity by technology, and trade within or among several regions or countries. Given certain assumptions regarding the general economic environment and trends of the sector, such as population, income, manufacturing cost, transportation cost, exchange rate, and import/export tax, the model can forecast the quantities exchanged in a multi-commodity and multi-region market and the corresponding prices.

The theoretical structure of the model is that of spatial equilibrium under competitive markets. The model has a static and a dynamic phase. In the static phase, the model computes the quantities and prices that clear all markets at a given point in time. This allows the analyst to study the impact of a particular variable or event, such as import tax, on the equilibrium solution.

In the dynamic phase, the model predicts the evolution of the spatial equilibrium over time. This phase allows the analyst to study how a sector adjusts gradually to changes in the exogenous variables.

The structure of the model is presently being defined and developed to reflect tropical hardwood demand, supply, manufacturing and trade in the Asia-Pacific region. Furthermore, the consultants are studying how the log supply and demand aspect of the linear programming model can be linked, directly or indirectly, to a timber supply model.

- (7) PD 27/92 Rev.1 (M.I) Development of an Information System for Tropical Timber Properties to Promote Appropriate Use of More Species

Budget and Funding Source:

Total budget	\$ 460,360
Govt. of U.K.	\$ 460,360

Implementing Agency:

Oxford Forestry Institute

Starting Date and Duration:

To be determined (2 years)

This Project proposes to undertake further development of an Information System for Tropical Timber Properties (PROSPECT) generated by the Oxford Institute of Forestry under two earlier ODA funded projects. The PC-compatible database in place was designed to store information extracted from published literature about tropical hardwood species from all areas of the world and has the capability of evaluating either species for a given end-use or end-uses for a given species. At present it contains comprehensive information on 94 properties and 80 end-uses, as well as information on taxonomy and geographical distribution, for 900 tropical timber species. Data on other 400 tropical timber species have been collated and recorded on data sheets but have not as yet been compiled on the computerized database.

The development tentatively aims at increasing the overall number of tropical timber species included in the database to 2,000. The main project activities include computerized data entry of the previously recorded information on the above mentioned 400 species; further analysis, collation and computerized compilation of possibly an additional 700 tropical timber species, time permitting; revision of the wood property grouping system; investigation of the possibilities of developing computerized species comparison graphs; verification of the quality of the information sources used; and the fine tuning of the system's capabilities by subjecting it to tests by potential users in both producer and consumer member countries.

It is envisaged that at the end of the two-year project, the system will be ready for widespread promotion and use on its own and in conjunction with "MoreLKS" [PD 18/87 Rev.1 (1) "Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses" and its Phase 2, PD 134/91 Rev.2 (I)] and other complementary databases such as the wood anatomy study being developed in Peru (PD 37/87 Rev.3 (I) Industrial Use of New Species in Peru".

Preparations were in progress before the start of the Project. The Project Agreement is still to be concluded and signed before the release of funds made for the start up in 1993.

- (8) PD 31/92 Rev.1 (M) Selection and Introduction of Lesser-known and Lesser-used Species for Specific End-uses - Phase 3

Budget and Source of Funding:

Total budget	\$ 357,000
Govt. of Japan	\$ 287,000
Govt. of Netherlands	\$ 70,000

Implementing Agencies:

Agriculture University, Wageningen, Netherlands
TNO Building and Construction Research Institute, Rijswijk, Netherlands
Relevant institutions of co-operating Governments

Starting Date and Duration:

To be determined (1 year)

This Project is the third phase following an original Project PD 18/87 Rev. 1, and its second phase in PD 134/91 (D). The overall objective envisages, over a three and a half year period, a 4- phased research work on selection and market introduction of lesser known species. It is designed to develop a computer-based analytical system which allows for the matching of some 21 technical properties of timber species with several criteria prevailing in Western Europe, Japan, U.S for the following end-uses: window frames, outside doors, cladding, furniture and flooring. Entry of the details of properties of a timber species into the computer system is designed to provide useful insights into its applicability for a specified end-use, both at preferred and at a minimum level. Thus, if for instance, a timber species does not meet certain requirements, the system may indicate steps which may be taken to improve its potential applicability for a specified end-use.

In the previous two phases (the second phase just concluded) the development of the system was extended to cover end-use requirements, not only in Western Europe but also Japan and USA; information on certain commercial details such as the form and conditions on which a specified species of timber is supplied; markets (including market prices) timber properties, available quantities, quality requirements.

An Advisory Group, consisting of experts from 9 cooperating Governments and the ITTO Secretariat, has been established and convened in January 1992 to assess the effectiveness of the model. The Group's recommendations on the further development of the computer program and information base form the basis of the present Phase 3.

Under the Phase 3 (to be followed subsequently by a Phase 4) the computer program and its information base will be further expanded to cover the requirements of at least one important end-use for Japan, the USA and the home markets of producing countries. More information will be sought on commercial data such as parcel details, the form in which timber is offered, quality regulations, price conditions and transport costs. Information on production and sustainability (ecological conditions) will be added.

Preparations were in progress before the official start of the Project. The Project Agreement has yet to be concluded and signed before release of necessary funds made for the start up.

- (9) PD 36/92 (M) Collection and Computer Processing of Forest Statistics with a View to Improving the Management of the Forest Resources of Gabon

Budget and Funding Sources:

Total budget	\$ 994,750
Govt. of Gabon	\$ 344,800
ITTO Contribution (yet to be determined)	\$ 649,950

Implementing Agency:

Forestry Department of the Ministry of Forestry, Fisheries and Environment of Gabon

Starting Date and Duration:

To be determined (2 years)

The Project proposes to undertake an analysis of the forestry sector in Gabon through systematic collection, to the maximum extent possible, of comprehensive statistical data and information on the forest resources, forest development (harvesting, reforestation, forest industries) and markets (home and export).

The analysis of the forestry sector would take into account :

- (i) Comparative information gathered from specified target countries of the sub-region in order to harmonize statistical data.
- (ii) Methods of integrating various existing ITTO guidelines on management of natural forests, planted forests, conservation of bio-diversity and the criteria for the measurement of sustainability of forest management.

The data will be used to install and develop a Computerized Information System which would serve as a permanent infrastructure for collecting, processing and analyzing relevant statistical data for the purposes of forest management and forestry sector planning in Gabon.

No funds have so far been pledged for this project.

- (10) PD 40/92 Rev.1 (M) Study of the Internal Timber Market in Cameroon for the Purpose of Improving the Management of the Forest Resources.

Budget and Funding Sources:

Total budget	\$ 216,820
Govt. of Cameroon	\$ 79,000
ITTO Contribution (yet to be determined)	\$ 137,820

Implementing Agency:

ONADEF (National Office for Forestry Development), Cameroon

Starting Date and Duration

Yet to be determined (1½ years)

The Project's objective is to undertake an up-to-date diagnosis of the internal timber market in Cameroon. The scope of the study will be limited to logs and such primary forest products as sawn timber, plywood, veneer, as well as those familiarly classified as "wild" sawn wood, service wood and fuelwood. It will determine :

- (i) the current and potential demand for such products,
- (ii) the structure (size and growth rate) of the market,
- (iii) the demand in relation to the production of different categories of products; the possible development of production to meet medium-term demand and needs, with an analysis of the adverse environmental impact of different methods of production,
- (iv) distribution channels and commercial operators,
- (v) means of market access,
- (vi) structuring of prices of different categories of products to ensure long-term competitiveness.

2.3 Non-Project Activities

2.3.1 Annual Market Review and Outlook (Market Discussions)

The 1992 Market Discussions took place for two days (7-8 May 1992) in Yaoundé, Cameroon during the Tenth Session of the Council. The Chairman was Dr. Toga Silitonga (Indonesia), Chairman of the Permanent Committee. The Rapporteur was Mr. Arthur V. Morrell (U.K), Vice-Chairman of the Permanent Committee. The theme was : "Lesser Known Species and Sustainable Forest Management and Trade in Tropical Timber Products." Discussions focused on the general theme as seen from various geographical or regional perspectives and introduced by the following discussion leaders :

Mr. S.K. Appiah (Ghana)	- Managing Director, Ghana Timber Export Development Board, Takoradi, Ghana, and the Vice-Chairman of the ITTC.
Dr. Toga Silitonga (Indonesia)	- Senior Advisor to the Minister of Forestry, Jakarta, and Chairman of the Permanent Committee.
Mr. Shigeru Takagi (Japan)	- Assistant Director, Wood Distribution Division, Forestry Agency, Tokyo.
Dr. Ivan Tomaselli (Brazil)	- Consultant and Advisor, Brazilian Association of Plywood Industries, Curitiba.
Ing. Enrique Toledo G.P. (Peru)	- Principal Technical Advisor, Camara Nacional Forestal, Lima.
Dr. Hinrich Stoll (Germany)	- President, Hinrich Feldmeyer, Bremen.
Mr. Kees Bosdijk (Netherlands)	- Secretary, Products Affairs, Netherlands Timber Trade Association, Amsterdam.
Mr. Frank Sheridan (USA)	- President, Afrasian Woods Ltd., New York, and Senior Vice-President, IHPA, USA.

A keynote speaker, Dr. Duncan Poore, Senior Consultant, IIED, London, made an overall commentary and a synthesis of the issues underlying the theme and the general discussion.

As part of the Market Discussion, a host country presentation was given by Mr. Englebert Temgoua, Director-General of ONADEF, on "The Forest Resources Situation, the Developments in the Timber Trade and Industry of Cameroon."

Some time was devoted to a discussion focused on the Annual Review and Assessment of the World Tropical Timber Situation - since the subject is of direct relevance to the Market Discussions. The document for discussion was the Secretariat document "Elements for the 1991 Annual Review and Assessment of the World Tropical Timber Situation" (document TTC(XII)/3). The Secretariat

reported that 37 of ITTO's member states (48 at the time) had provided data in response to the Annual Forecasting and Statistical Enquiry, circulated by the Secretariat. Unfortunately, much of the data provided was still deficient in terms of quality and timeliness. There was concern expressed about the quality and accuracy of the data used to prepare the Secretariat's document. Whilst the Secretariat undertook, at the request of some members, to revise and rectify some of the data it was, however, pointed out that much depended on the willingness of members to provide timely and reliable data. Members were requested to forward in due course to the Secretariat any proposed amendments or additions to their country data which could be considered in the final revision of the Secretariat's document.

The document was finally adopted by the Council at its Thirteenth Session in November 1992.

At its Eleventh Session, the Committee decided on the theme for the 1993 Market Discussions to be held in Kuala Lumpur, Malaysia, during the Fourteenth Session of the Council. The theme was "Policy Issues and Options Concerning the Linkages Between the Tropical Timber Trade and Sustainable Forest Management." The decision was taken in view of the need to devote more time to and have a focused discussion of the Study done for the ITTO by the LEEC entitled : "Economic Linkages Between the International Trade in Tropical Timber and the Sustainable Management of Tropical Forests." As part of the Market Discussions there will also be consideration of the item : "Annual Review and Assessment of the World Tropical Timber Situation."

2.4 Statistical Operations

2.4.1 Data Processing - Hardware

ITTO's computer configuration continued to be upgraded in 1992 with the purchase of two Toshiba T4400C laptop computers for use on mission travel by the Secretariat. The office configuration remained as in 1991: one IBM PC/AT, four IBM PS2 Model 30, eight IBM PS2 Model 50, two IBM PS2 Model 55 and one IBM PS2 Model 80. Sixteen these workstations are linked via Novell Software to an IBM PS2 Model 80 server. Three printers can be accessed by all network users: two laser printers (HP Laserjet III and Kyocera F1000+) and a dot-matrix printer (Seikosha line printer). In addition, several older laptop computers are still in use by staff on mission travel (Toshiba J-3100SGT, Toshiba Dynabook J-3100SX021, Toshiba Dynabook J-3100SS and Fuji Xerox Dynabook J-3100SS02E). A Canon ASF6410 bubble-jet printer was purchased in 1991 for mission travel.

Other peripherals in the ITTO computer configuration include two IBM 5202 sheet printers, an IBM Quietwriter printer and an HP7475A plotter. Up to four new workstations, a new network server and a new printer will be sought in 1993 to provide for increasing staff members and to replace obsolete hardware.

2.4.2 Data Processing - Software

Several new software packages were acquired in 1992 to facilitate the work of the Secretariat. These included: Foxpro (database), Timeline (project planning), Windows and DrDos (operating systems) and several memory management and general utility packages (QEMM, Norton, PC Tools, etc). In addition, the ITTO Project Management Database was significantly upgraded during 1992.

2.4.3 Processing of Statistical Data and Forecasts

In September 1992, the Annual Forecasting and Statistical Enquiry Questionnaire was sent to all member countries. By the end of 1992, 40% of ITTO's members had responded. Responses, in general, are more informative than in previous years, although substantial deficiencies still exist in the statistical capabilities of many members. Nonetheless, better responses to the Enquiry allow

improvement in the quality of the Annual Review, which now includes greater detail on trade flows from both producers and consumers and on forest resources and industry structure from producing countries. Revision of the Enquiry continues, based on member's comments and difficulties in completing the 1992 version.

3. REFORESTATION AND FOREST MANAGEMENT

3.1 Pre-Projects

Three Pre-Project proposals were reviewed by the Committee during the two Council Sessions of 1992, all of which were approved for implementation subject to financing being available. These approved Pre-Projects were:

- | | |
|--------------------|--|
| PPD 1/92 Rev.1 (F) | Impact of the Rural Population on Forest Development: Protection and Reconstitution of the Tropical Closed Forest in the Si-Kop (Ndom) Region, Coastal Province, Cameroon (\$138,600). |
| PPD 3/92 Rev.1 (F) | Integrated Forest Project for the Production of Seedlings in Para State - Feasibility Study (\$107,625). |
| PPD 6/92 Rev.1 (F) | Study of the First Forest Zone of Gabon in View of its Management, Gabon (\$157,500). |

Finance was pledged by the Governments of Japan, Norway and the United States to support PPD 1/92 Rev.1 (F) at the Twelfth Session of the ITTC. However, PPD 3/92 Rev.1 (F) is still awaiting financing. In addition, another Pre-Project which was approved by the Ninth Session of the Committee [PPD 47/91 (F) "Survey of the Progress on Technology Generation Regarding Dipterocarps Vegetative Propagation" (\$200,500)] is also still awaiting financing. The status of other Pre-Projects that were either completed or on-going are reviewed in sections 1 and 2 below. Finance was also pledged by the Governments of Japan and the United States to support PPD 6/92 Rev.1 (F) at the Thirteenth Session of the ITTC.

3.1.1 Completed Pre-Projects

The 1991 Annual Report described three Pre-Projects completed during the course of the year. However, these Pre-projects still had minor administrative matters pending, their current status is described below.

- (1) **Study of Conservation Concerns Relating to the Diversification of Species Extracted for Timber (\$ 224,000)**

The final report has been completed and submitted, however, due to lack of funds the report has not yet been published and distributed.

- (2) **Silvicultural Treatment through Selective Felling as Part of A Pilot Forest Development Project in the South Bakundu Forest Reserve, Cameroon (\$ 35,000)**

The audited financial report for this Pre-Project has been received by ITTO, and this Pre-Project is now officially complete.

- (3) **Manmade Forests of Indigenous Species - A Systematic Preparation to Industrial Tree Plantations, Ghana (\$ 35,000)**

The last instalment was released in September 1992, activities have been completed and the final report submitted. The Secretariat is currently awaiting the audited financial report.

3.1.2 *Pre-Projects in Progress*

Nine approved Pre-Projects were, at the end of 1992, under execution or in the process of being prepared for execution. Summaries of their current status are given below.

(1) Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador (\$ 75,000)

The Committee decided, at its Second Session in June 1988, to implement this Pre-Project to assist the Government of Ecuador in further developing a project proposal with the same title [document number PD 30/88 (F)], submitted for consideration of the Committee. The Council allocated, at its Fourth Session, \$ 75,000 for financing of the Pre-Project. Terms of Reference were signed in May, 1990.

The Pre-Project was expected to be completed in January 1991 and led to the presentation of a Project Proposal PD 159/91 Rev.2. "Studies for the Regulation and Sustained Management of the Tropical Rainforests of the Province of Napo and Sucumbios" which was considered and approved at the Tenth Session of the ITTC. However, on August 1, 1991, the Secretariat received a financial report from the Subsecretariat of Forestry in Ecuador which indicated that only some 60% of the original financial allocation had been spent in producing the proposal. The Under Secretary of Forestry and Renewable Natural Resources in Ecuador had previously written a letter 17 July foreshadowing this report and requesting that the remainder of the money be used to consolidate the Napo-Sucumbios Project in relation to the involvement of indigenous communities in accordance with the recommendations given by the Permanent Committee on Reforestation and Forest Management and the ITTO Council in Quito.

At its Ninth Session, the Committee endorsed the use of previously allocated Pre-Project funds for the purpose suggested, including making allowance for the visit of the independent, international review team to aid in this process.

(2) Coordinated Natural Forest Management and Sustainable Rural Development in Areas Adjoining Sapo National Park, Liberia (\$ 25,000)

The Committee decided, at its Third Session in November 1988, to implement this Pre-Project Study to assist the Government of Liberia in improving and further developing a Project Proposal with the same title [document number PD 45/88 (F)], submitted for evaluation of the Committee. The Council allocated, at its Fifth Session, \$ 25,000 for financing of the Pre-Project.

An Agreement regulating the execution of the Pre-Project has been established between the Government of Liberia and ITTO and came into force on 26 October 1989. The study has not yet been initiated due to the continued political instability in Liberia and it had not been possible for the Secretariat to communicate with authorities in Liberia re the progress of the Pre-Project up until the Twelfth Session of the Council in Yaoundé which was attended by a delegation from Liberia.

Technically, the Pre-Project now comes under the sunset provisions of Decision 2X, Annex 2, Paragraph 2. However, due to the tragic impact of the civil crisis in Liberia on its forest sector most of the documents associated with the Pre-Project were destroyed during the war. The situation in the Sapo National Park itself had deteriorated considerably with the park laid bare to various forms of encroachment including logging. The Forest Development Authority

requested copies of the appropriate documents from the Secretariat so that they would be in a position to work out a realistic programme of cooperation on the Pre-Project study.

The Secretariat sent the requested documents and advised the Committee to defer consideration of the Pre-Project until stability returns to Liberia. An outline of alternatives was also given, principally the use of the provisions of PD 73/89 (M,F,D) to provide assistance in the formulation of Project Proposals that may aid the reconstruction of the forest sector through the promotion of sustainable management.

(3) Sustained Development in the Amazon Region (\$ 70,000)

The Committee decided at its Fifth Session in November 1989 to implement this Pre-Project which had been proposed by the Government of Brazil. The Council decided at its Seventh Session to allocate \$ 70,000 for the financing of the Study.

An Agreement, with attached Terms of Reference, for the execution of the Pre-Project was signed on 10 July 1990 and the first transfer of funds took place on 6 August 1990. An additional transfer of \$ 15,000 was made on 20 September 1991 to augment the funds for the finalization of the Pre-Project.

Implementation of the Pre-Project started in September 1990 with Brazilian Foundation for Nature (FUNATURA) as Executing Agency. A report on Part 1 of the Pre-Project entitled "Agroforestry Systems Adapted to Amazonia" was received by the Secretariat on 18 September 1991. The Ninth Session of the Committee noted the receipt of this report.

A general Pre-Project report and two Project Proposals developed during the Pre-Project study were submitted for consideration at the Eleventh Session of the Permanent Committee on Reforestation and Forest Management. Two Project Proposals developed from the pre-project study and approved by the XIII Council Session: PD 32/92 (F) "Agroforestry Systems for the Communities of Nova California and Extrema, Rondonia, Brazil" and PD 45/92 (F) "Agroforestry Systems for the Communities of Medicilandia-Para, Brazil". In addition, the Implementing Agency, FUNATURA, completed the third and final Project Proposal and has submitted it for consideration by the XIII Session of the ITTC.

(4) Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forests (\$ 190,000)

This Pre-Project is being jointly implemented by IUCN and ITTO, and an Agreement was signed in June 1990. Country reviewers were identified and reports were presented and discussed at a workshop during the IUCN General Assembly in Perth, Australia in early December, 1990. A draft interim report was presented to the Eighth Session of the Committee in document PCF(VIII)/11. The Committee considered this report and recommended that it be used as input into the deliberations of the Working Group on the Conservation of Biodiversity in Tropical Production Forests, a recommendation adopted in Decision 6 (X) of the Council. The Committee also recommended that the document "Realistic Strategies for Conservation of Biological Diversity in Moist Forests" be translated and published.

Printers proofs of the English Edition of the Report were sent to IUCN by the end of the first week in October were available at the XIII Council Session in November. Printing of this edition was possible with the funds available in the initial Pre-Project allocation. However, publication

of a French and Spanish edition will require approximately US \$10,000 for a print run of 1000 in each language. In this regard, the XIII Council approved of, and the U.S. Government pledged US\$ 45,000 for the translation of the final draft into Spanish and French plus the publication of a limited number of editions in each of the three official languages. Requests for quotations have been sent out.

(5) Sustainable Multiple Use (\$ 276,958)

The Pre-Project was proposed by the Government of Malaysia and was approved by the Committee at its Seventh Session. The Council made funds available at its Ninth Session in November 1990. An Agreement covering the execution of this Pre-Project was subsequently signed on 13 November, 1991. The full allocation of funds for the Pre-Project was disbursed on 20 April 1992. After consultations with the Executive Director, Mr. Hans Kr. Seip was appointed as Team Leader for the Study and commenced work on 18 September, 1992. The local Co-Leader and counterparts from the Sarawak Forest Department have been assigned to the Pre-Project and the Implementing Agency has reported that the work is progressing smoothly.

(6) PPD 44/91 (F) Review of the National Forest Situation so as to Establish a National Policy (\$100,000)

This Pre-Project was approved by the Committee at its Ninth Session and an allocation of \$100,000 was made available at the Eleventh Session of the Council for its immediate implementation. An Agreement to cover the implementation of the Pre-Project was signed on 4 December 1992, and the first installment of US\$ 75,000 has been disbursed on 7 December 1992. Information gathering concerning the utilization of forest resources in Colombia and related issues has started and workshops to discuss the findings are expected to be held soon.

(7) PPD 43/9 (F) Rehabilitation of Degraded Forest Land in the Amazon - A Case Study in the Carajas Mineral Province (\$228,000)

This Pre-Project was approved by the Committee at its Ninth Session and an allocation of \$228,900 (including the mandatory ITTO Program Support Charge) was made available at the Twelfth Session of the Council for its immediate implementation. An Agreement to cover the implementation of the Pre-Project was forwarded to the Government of Brazil on 28 July 1992, and is under process of negotiation.

(8) PPD 1/92 Rev.(F) Impact of the Rural Population on Forest Development: Protection and Reconstitution of the Tropical Closed Forest in the Si-Kop (Ndom) Region, Coastal Province, Cameroon (\$138,600)

This Pre-Project was approved by the Committee at its Tenth Session and an allocation of \$138,600 was made available at the Twelfth Session of the Council for its immediate implementation. An Agreement to cover the implementation of the Pre-Project was forwarded to the Government of Cameroon on 11 July 1992 and signed on 5 August 1992 and implementation of the study has begun. With regard to the specific objectives and the detailed workplan for the study, the Terms of Reference for an International Consultant were drawn from the workplan and negotiated with the Implementing Agency. The consultant was selected and left for his first trip to Cameroon in December 1992 to develop technical procedures and arrangements for the field studies which will be conducted by national consultants.

(9) **PPD 6/92 Rev.1 (F) Study of the First Forest Zone of Gabon in View of its Management, Gabon (\$157,500).**

The objective of this Pre-Project is to carry out a study to determine the methodology and cost for stratifying about 3,000,000 ha of tropical forests in the First Forest Zone. ITTO support will be used to cover the costs of consultants, support personnel and materials needed to complete the study. This Pre-Project will result in the formulation of a project proposal to be submitted for external funding. The draft agreement has been prepared and submitted to the Government of Gabon for analysis.

3.2 Projects

3.2.1 *Project Proposals and Project Ideas*

In the field of Reforestation and Forest Management, a total of thirty-eight Project proposals were reviewed by the Permanent Committee during 1992. The Committee recommended that twenty four Project proposals be implemented and these proposals were approved by the Council. For eight of these projects, the Council provided immediate financing. The Council also provided full financing for two projects which were approved, but not funded, in previous Sessions. Twelve Project Ideas were presented to the Committee for consideration and six of these were directly related to the responsibilities of the Committee. Three of the Project Ideas were considered to particularly meet ITTO priorities, and the Committee encouraged them to be developed into proposals.

Following the Committee's recommendations, the Council approved the implementation of the following Projects, with the ITTO contribution shown in parenthesis:

52/89 Rev.4 (F)	Forestry Treatment by Thinning Out in the Context of a Pilot Forest Development Scheme in the Forest Reserve of Sud-Bukundu (\$ 1,166,900)
120/91 Rev.4 (F,I)	Development of Operational Model for Malaysia Sustainable Management of Natural Tropical Forest (\$ 464,161)
174/91 Rev.1 (F)	Rehabilitation of the Forest in the South-Central Region of Cote d'Ivoire (\$ 631,500)
186/91 Rev.2 (F)	Tree Flora of Sabah and Sarawak (\$ 712,800)
8/92 Rev.1 (F)	Growth and Increment of Fifty Commercially Viable Forest Species in Honduras (\$ 922,467)
9/92 Rev.1 (F)	Forest Management in Islas de la Bahia, Honduras, Central America (\$ 722,619)
10/92 Rev.1 (M,F)	Books and a Data-Base on the Major and Minor Commercial Timbers of South-East Asia Volume 5(1) and Volume 5(2) within the PROSEA Programme (\$ 1,068,041)
11/92 Rev.1 (F)	Development and Dissemination of Re-Afforestation Techniques of Mangrove Forests (\$ 815,850)

/...

14/92 Rev.1 (F)	A Demonstrative Program of Sustainable Utilization by Category Management of Tropical Forests in Hainan Island, China (Phase I - \$ 1,500,000; Phase II - \$ 1,000,000; Phase III - \$ 500,000)
15/92 Rev.1 (F)	Establishment of a Germ Plasm Bank and Pilot Reforestation Units (\$ 394,520)
16/92 Rev.1 (F)	Timber Logging in Rondonia - Phase I: Socio-Economic Land Environmental Diagnosis (\$ 352,800)
18/92 Rev.1 (F)	Research-Development Associated with Management Operations in the Closed Forest of Cote d'Ivoire: Determination of a Forest Typology Related to Silvicultural Systems (\$ 760,000)
PD 26/92 Rev.1(F,I)	Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon (\$ 1,816,810)
PD 32/92 Rev.1 (F)	Agro-Forestry Systems for the Communities of Nova California and Extrema, Rondonia, Brazil (\$ 1,066,460)
PD 37/92 Rev.1 (F)	Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest (Forestier de la Bokoue) (\$ 1,265,292)
PD 39/92 Rev.1 (F)	Dissemination and Training on ITTO Guidelines and Criteria for the Sustainable Management of Natural Tropical Forests (\$ 624,750)
PD 42/92 Rev.1(F,I)	Reforestation and Sustainable Management and Utilization in the Natural Cloud Forests of Jaen-San Ignacio (\$ 1,177,050)
PD 43/92 Rev.1 (F)	Strengthening of the Amazon Forest Development Center For the Sustainable Management of Tropical Forests (\$ 519,120)
PD 45/92 Rev.1 (F)	Agroforestry Systems for the Communities of Medicilandia-Para, Brazil (\$ 1,195,779)
PD 47/92 Rev.1 (F)	Project on Sustainable Forest Management , Production and Regulation in an Area of the Colombian Andes (\$ 742,875)

3.2.2 Completed Projects

Two Projects were completed during 1992, and have submitted all required project completion reports and audited financial reports.

- (1) PD 24/88 (F) Integration of Forest-Based Development in the Western Amazon -
Phase I - Forest Management to Promote Policies for Sustainable
Production

Budget and Funding Sources:

Total Budget:	\$ 3,075,000
Government of Brazil:	\$ 1,977,000
Government of Japan:	\$ 763,000
Government of Switzerland:	\$ 220,000
Government of the Netherlands:	\$ 85,000
WWF:	\$ 10,000

Implementing Agency:

FUNTAC (Technology Foundation of the State of Acre)

Starting Date and Duration:

May 1989
Three years

The Project was approved by the ITTC at its Fourth Session in Rio de Janeiro in June 1988. The Council also authorized financing and immediate implementation of the Project. The implementation was however subject to certain conditions proposed by the Permanent Committee on Reforestation and Forest Management being met. These conditions required among other things that a mechanism for consultation with the people living in the area and with representatives of other economic sectors concerned with development of the Western Amazon be established. Provision was also made for the continuation, beyond the project period, of long term research started under the Project.

These conditions were met and the exchange of signed documents took place in Abidjan in May 1989 at the occasion of the Sixth Council Session and the Project became officially operational at that time. The Technology Foundation of the State of Acre (FUNTAC), is Executing Agency for the execution of the Project, collaborating with the Brazilian Institute for Renewable Natural Resources (IBAMA), the National Institute for Amazon Research (INPA), The Superintendency for the Development of the Amazon (SUDAM) and the Secretary of Environment and Urban Development of the State of Acre (SEDUMA).

An evaluation report prepared by the Secretariat was presented to the Eighth Session of the Permanent Committee in May 1991 in document PCF (XI)/18. It noted the task of ITTC then was to review the outputs from Phase I and to decide the best option for the future of the Project. It further noted that the Phase II proposal had elements of concern to both the Forest Industries Committee and the Committee on Reforestation and Forest Management, and recommended that:

- * Immediate approval be given for Phase II ensuring that greater provision for community consultation and participation were structured into the Project.

/...

- * FUNTAC convene a sub-regional seminar as specified in the Phase I document before proceeding with the implementation of Phase II. The purpose of this seminar should be to help ensure the wide dissemination of results from the Project so that the maximum benefit could be obtained from the experiences gained during the conduct of Phase I.

The Eighth Session of the Committee also received a detailed presentation from FUNTAC on the outputs of Phase I, and the Permanent Committee on Forest Industries recommended the approval and financing of Phase II of the Project. This recommendation was accepted by the Council, and finance was provided by the Governments of Japan and Switzerland. The sub-regional seminar was held in Rio Branco from 11-14 November 1991, and attracted a large number of delegates from Acre, elsewhere in Brazil, Bolivia, Peru and Cost Rica. The release of funding for Phase II was, however, conditional on receipt of the completion report for Phase I by the ITTO Secretariat.

As advised at the Tenth Session of the Committee, a completion report was received by the Secretariat on 23 March 1992. The Secretariat sought clarification on a number of matters and a revised report was received in early July - see Annex 1 of this report for key extracts.

As the Committee noted when it discussed document PCF (VIII)/18 in Quito, a number of changes were necessary during the implementation of the first phase of the Project. In particular, actual logging trials could not be implemented in the project area itself. At the time, this was seen as a positive development as it provided more opportunities for consultation before any physical changes in land use occurred in the Antimari area, even if those changes were only to be on an experimental basis.

These changes and the changes to the various line items in the budget were endorsed by the Project Steering Committee. In essence, mainly national consultants were used on the Project and all consultants participated with only the support for travel and daily expenses from the Project. This allowed a transfer of resources from items 1-12 in the original budget to items 13-23 - see Annex 1. The presentation of this report is the final direct involvement of the Permanent Committee on Reforestation and Forest Management in the Project as the Phase II Project will be supervised by the Permanent Committee on Forest Industries.

- (2) PD 76/90 (F): Project Formulation Workshop for Establishing a Network of Genetic Resources Centres for Adapting to Sea Level Rise

Budget and Funding Sources:

Total Budget:	\$ 100,000
Government of the United Kingdom:	\$ 50,000
Government of Japan:	\$ 50,000

Implementing Agency:

Centre for Research on Sustainable Agricultural and Rural Development, Madras, India

Starting Date and Duration:

August 1990
Six months

The Project was approved by the Council at its Eighth Session in May 1990 and funds were made available for its immediate implementation. The workshop was held in Madras on January 15 - 19, 1991, and a Project proposal [PD 157/91] which was developed by the workshop was presented for the consideration of the Eighth Session of the Permanent Committee in May 1991. A full proceedings of the workshop was also published and all accounts were presented to the Secretariat in December 1991. Pressure from other work did not allow the Secretariat to analyze this material until mid-April 1992 and clarification on a number of points was sought from the implementing agency. The audited financial report was submitted and accepted by the ITTO Secretariat, therefore, this Project is now formally completed.

3.2.3 Projects under Implementation

Forty-one Projects in the field of Reforestation and Forest Management were under active implementation at the end of 1992. The total budget commitment for these Projects is \$ 36,938,300. A brief description and current status of each on-going projects is described in this section.

(1) PD 2/87 (F) Rehabilitation of Logged-over Forests in Asia/Pacific Region

Budget and Funding Sources:

Total Budget:	\$ 1,227,100 *
Government of Japan:	\$ 676,140
To be determined:	\$ 550,960

* plus contributions in kind by participating countries

Implementing Agency:

Japan Overseas Forest Consultants Association (JOFCA) [Phases I & II]

Starting Date and Duration:

Phase II April 9, 1991.
2 years

The Project was approved by the Council at its Third Session in November 1987, but financing was not made available, at that time, for implementation. However, the Government of Japan provided partial financing of \$440,000 for the Project and the Council approved an initial, viable sub-project which was completed in March 1990. The Government of Japan pledged, at the Seventh Session of the Committee, a further contribution of \$230,000 to the Project.

At its Ninth Session, the Council decided to implement a second sub-project and allocated \$430,000 for this purpose. A new Agreement for the continued implementation of the Project was signed with JOFCA on April 9, 1991. The objective of this second sub-project is to develop a classification system for logged-over forests which has direct relevance to the silvicultural activities that are required to restore the timber-producing capacity of the forest. The Project also aims to test and describe the use of the classification system and to make a preliminary assessment of the extent of each class in tropical Asia, using available imagery.

Two international consultants, one from the Philippines and one from India, have been hired by JOFCA to supplement their own expertise, and JOFCA has developed a provisional classification system with these consultants. This classification was subject to an informal review workshop held in Yokohama on July

/...

26th in conjunction with the Conference of Senior Foresters [see report on PD 117/90 (M,F,I)]. A number of refinements were made at this workshop and the classification has subsequently been field tested in both Thailand and the Philippines and further reviewed by a panel of experienced field foresters in Manila in December, 1991. This led to further refinements to the classification system. The classification system and general progress with the project was then further considered at a joint mid-term Project Review which was conducted by JOFCA and the ITTO Secretariat on 10 January, 1992.

Discussions held during this review led to further refinement including placing emphasis on the land use objectives of the classification system in different areas. Where timber production was a primary or even an important objective, it was agreed that the classification system should place some emphasis on factors that would have economic impact on long term timber production suitability so that decision makers could prioritize areas in which to concentrate post-harvesting silvicultural treatment to enhance future outputs. Work will now continue with both the development and the field testing of the classification system and work with various types of remote sensing imageries will begin to determine the extent of various classes of forest in selected Asia-Pacific countries that require post harvest silvicultural treatment to maintain or improve productive capacity.

A further joint JOFCA/ITTO review of progress with the Project was held on 30 July 1992. Work has progressed well on both the remote sensing aspects and the preparation of the report on the final field classification system. The final report on the field classification system was completed in November 1992 with the report on the remote sensing work completed soon after. These reports were December 1992, and are currently under review. JOFCA has advised that they expect to be able to present a final report to ITTO in three working languages by March 1993.

(2) PD 10/87 (F) Forest Management of Natural Forests in Malaysia

Budget and Funding Sources:

Total Budget:	\$ 595,145
Government of Switzerland:	\$ 272,350
Government of Malaysia:	\$ 322,795

Implementing Agency:

Forestry Department Headquarters, Peninsular Malaysia.

Starting Date/Duration:

8 August 1988
10 Years

The Project was approved by the Council at its Third Session in November 1987 and financing was allocated to allow immediate implementation. The Project was slightly amended by the Council at its Fourth Session in Rio de Janeiro in June 1988 to extend the period of ITTO monitoring and review, from the originally approved three years of the establishment phase to the full project period of ten years. This also required allocation of additional budget resources of \$15,000 to bring the total ITTO budget contribution to \$272,350. The financial support to Project work remains limited to the first three years.

Four research areas have been selected in the following geographic locations:

- Virgin forests:
1. Lesong Forest Reserve, State of Pahang;
 2. Sungai Lalang Forest Reserve, State of Selangor;
- Logged-over Forests:
3. Cherul Forest Reserve, State of Terengganu;
 4. Kledang Saiong Forest Reserve, State of Perak.

Following some delays with field work, the Tenth Session of the Council approved an extension of the initial phase of the project until December 1991. In addition, the Eleventh Session of the Council approved the further extension of twelve months for this phase of the Project. It also approved the immediate release of additional finance as soon as earmarked funds became available to allow for the engagement of an international consultant to develop a data management system for the established plots (\$30,000), and the conduct of an international workshop to disseminate the preliminary results from the Project (\$150,000). At the Twelfth Session of the Council, the Government of the United States pledged an amount of \$30,000 to cover the data analysis components mentioned above. Subsequent discussions with the Implementing Agency have indicated that this analysis work will be scheduled for early 1993.

- (3) PD 15/87 (F) The Biology of the Okoume (Aucoumea klaineana Pierre) in Gabon

Budget and Funding Sources:

Total Budget:	\$ 845,000
Government of Gabon:	\$ 427,500
Governments of the Netherlands:	\$ 417,500

Implementing Agency:

TROPENBOS in partnership with la Direction du Reboisement and CENAREST

Starting Date and Duration:

November 1992
Three years

The project was approved for immediate implementation by the Council at its Third Session in November 1987. The execution of this project required the formulation of a Memorandum of Understanding between the Governments of the Netherlands and Gabon. This Memorandum was under negotiation between the two governments for some time, and at the time of the Ninth Session of the Committee, the project had not commenced. The Committee then noted that under paragraph 2 of Annex 2 of Decision 2 (X), this Project was an approved project that had not begun to be implemented more than 26 months after approval that it could therefore no longer be considered an approved project. However, the Committee also noted that the ITTO Secretariat received a revised project proposal on 25 November 1991, and decided to ask the Secretariat to both examine this revised proposal in relation to the original project objectives, related activities and the continued availability of donor funds, and to take all steps necessary to ensure the immediate implementation of the project.

/...

The revised proposal was found to be in accord with the original project objectives and the Tenth Session of the Committee noted that a TROPENBOS mission to develop a detailed workplan has been concluded since the previous Session. This resulted in a further revision of the proposal which was sent to the Secretariat on 10 March, 1992.

The Tenth Session of the Committee recommended that a revised budget of \$469,500 be approved, an action that was endorsed by the Council in Decision 1(XI). A draft agreement covering the implementation of the revised proposal was forwarded to the Government of Gabon on 18 September 1992. Agreement was signed on 11 November 1992 and the first disbursement of \$229,161 was made on the same date. Project activities were initiated in December 1992, and the first Steering Committee Meeting is programmed for January 1993.

- (4) PD 34/88(F) Conservation, Management, Utilization and Integrated and Sustained Use of the Forests in the Chimanes Region, Beni Department, Bolivia

Budget and Funding Sources:

Total Budget:	\$ 2,654,000
Government of Bolivia:	\$ 1,394,000
Government of Japan:	\$ 575,000
Government of Switzerland:	\$ 355,000
Government of France:	\$ 200,000
Government of Denmark:	\$ 125,000

Implementing Agencies:

Center for Forest Development, Bolivia, in cooperation with Conservation International.

Starting Date and Duration:

April, 1990
Three years initially - extended to December 1993 by the Twelfth Session of the ITTC.

PD 34/88 Rev.1 (F) was approved by the ITTC at its Fifth Session in November 1988, but financing for immediate implementation was not made available at that time. However, an Agreement for regulating the implementation of the Project was concluded in April, 1990, and at the Sixth Session of the Council in May that year, full financing of the Project was secured. An initial amount of \$250,000 was transferred to the Project Account in August 1990.

Soon after, difficulties were encountered in implementing the project due to problems in settling a compensation claim for land rights surrendered by the Indians who had previously used the land allocated for the Project. However, while steps were being taken to resolve this conflict, some delay in Project implementation was foreseen.

A report on the status of the Project at the end of September 1990 was presented to the ITTC Permanent Committee on Reforestation and Forest Management in November 1990. After considering this report, the Permanent Committee requested the Secretariat to closely monitor the progress of the Project and to conduct a special review of the performance of the Project before the Eighth Session of the Committee and report to that Session of the Committee.

An independent review of the Project was subsequently carried out in the second half of February 1991 by a consultant, Dr. T.N. Synnott of the Oxford Forestry Institute. His report was presented to the Eighth Session of the Permanent Committee in June 1991, and following discussions in the Committee, a Memorandum of Understanding (MOU) between ITTO and the Implementing Agency was developed. This MOU allowed for the continuation of project activities at a minimal level until the Ninth Session of the Committee in November 1991, while a further and more complete review of the Project was undertaken. A budget allocation of \$82,000 for a minimal level of project activities and \$20,000 for the review mission was made.

This review was conducted by Dr. T.N. Synnott and a representative of the ITTO Secretariat together with Project Staff and a consultant anthropologist, Ms. Elizabeth Rocabado, during August 1991. An interim report of the review mission was presented to the Government of Bolivia at the end of the mission and was subsequently presented to the Ninth Session of the Permanent Committee in Yokohama together with a more detailed report. In essence, these reports recommended the continuation of the Project with greater emphasis on:

- * Strengthening the community forestry/extension components of the Project to provide a focus for Project interaction with local communities, particularly the indigenous communities living in or near the forest.
- * Introducing a significant forest protection component into the project to better address the problem of illegal logging in both the project area and surrounding areas.
- * Allowing for complete aerial photograph coverage for detailed management planning.
- * A tighter focus for the forest industries programme to provide for an analysis of the efficiency of current industrialization processes, and to provide a detailed financial analysis of the current production and marketing chains for forest products from the project area.
- * Conducting a project review workshop early in 1993 to critically evaluate project activities and formulate project proposals for the extension of the project in the context of the wider Chimanés Programme after 1993.

These reports were accepted in principle and a further Memorandum of Understanding was developed following extensive negotiations between the ITTO Secretariat, Members of the Government of Bolivia's Delegation to the Eleventh Session of the ITTC, Representatives of Donor Governments and Organizations financing the Project and NGO's. This MOU was drafted on December 3, 1991 and subsequently endorsed by both the Permanent Committee and the Council.

In the Secretariat's report to the Committee at the Yaoundé Session [PCF(X)/5], a number of annexes were presented for the information of the Committee including the original budget from the approved project document; the financial report up to the end of October 1991 which was presented by the Implementing Agency as requested under the Yokohama MOU; the terms of reference for the two-month consultancy envisaged under the Yokohama MOU; and signed statement by members of the project Steering Committee.

In addition to the report contained in Document PCF(X)/5, a presentation by the Project Director Ing. Luis Goitia and the Secretary of the Council of the Chimani People Sr. Jorge Anez was addressed to the Committee. In addition, a written report by Ing. Goitia and an interim report by the independent consultant hired under the 1 December 1991 Yokohama MOU on the future conduct of the Project were presented. Amongst other things, both reports contained proposals for revisions to the budget included in the MOU. The Committee was concerned that proposals for budget revisions deviated in substance and detail from those agreed to in the Yokohama MOU.

The Committee expressed its appreciation to the Director of the project and the Secretary of the Council of the Chimani people and welcomed the progress that had been made in various aspects of the Project and the close cooperation that had developed between the project and the local peoples. The Committee hoped that similar close involvement of other local communities living in or near the forest could be achieved through the expanded participatory structures of the Project Consultative Committee and the Project Steering Committee and the community forestry/extension programme that were outlined in the Yokohama MOU.

Despite difficulties surrounding the Project, the Committee reaffirmed both the importance of the Project and its continued support for the Project. The Committee recommended that continued funding be maintained in accord with the Yokohama MOU. The transition to Phase 2 would be immediately approved subject to the Secretariat being satisfied that the detailed workplan and budget from all sources substantially conforms with the priorities of the Yokohama MOU. In addition, the strength of financial commitment to the Project from the Government of Bolivia is not substantially different to that in the original Project Document which formed the basis for the initial approval for the Project and donor support.

During the discussions in the Yaoundé Session, one of the original Project Donors, WWF, stated it could no longer support the Project. The Statement by the Representative of WWF noted that the decision was taken more in sadness than in anger. In the opinion of WWF, a number of elements it considered essential to the implementation of Phase 1 of the Yokohama MOU were not implemented satisfactorily. WWF felt that there was no real indication that some areas were to be addressed as a matter of urgency and that the Project had continued for too long without dealing with the central issues. Nonetheless, WWF also indicated in its statement that it was still committed to the objectives of the Project and expressed a hope that WWF might review its decision pending a positive outcome from the San Borja Round Table in June.

The consultant's final report was dispatched on May 22 and arrived in Yokohama early the following week. While much of the detail requested in the terms of reference was not provided, the broad thrust of the report covered the essential components of harvesting control and the provision of a workplan and a revised budget. These aspects together with details of the Yokohama MOU itself were presented to the San Borja Round Table. Despite differing interests in the Project and the Project Area, the meeting was unanimous in its support for the objectives of the project and the wider Chimanes Programme and for the continuation of the Project. The meeting also fully endorsed the general thrust of the consultant's report and the Yokohama MOU.

Following the positive Round Table meeting, the Secretariat and the Implementing Agency negotiated an agreement for the continued management of the Project. This agreement meets the requirements which the Committee specified in Yaoundé. The detailed workplan and budget developed from the consultancy report and the Round Table substantially agreed with the priorities of the Yokohama MOU. After the agreement was signed, an additional disbursement of US\$ 395,000 was made to the Implementing agency who has consulted with the Secretariat on the recruitment of the specified additional international and national staff.

In its Eleventh Session in Yokohama, the Committee endorsed the agreement signed by ITTO Secretariat and the implementing agency and agreed with the assessment of the Secretariat that the detailed workplan and budget developed from the short-term consultancy report and the June 15 Round Table was substantially in accord with the Yokohama MOU. The Committee welcomed the positive outcome of the June Round table and endorsed the continued financing of the Project for the remainder of the first phase. However, the Committee recommended that the second release of funds outlined in section two of the agreement discussed above should be made conditional on the Secretariat receiving from the Implementing Agency and the Government of Bolivia:

1. As outlined in Section 5.1 of the Agreement, Reports 1 and 2 of the reporting schedule should fully meet the reporting requirements outlined in Section 5.2 of the Agreement should be received by the Secretariat by 30 January 1993.
 2. Written confirmation that the Project Director had in fact been relocated into the CDF-RN administrative structure at a location in or near the project area as outlined in Section 4.1 of the Agreement.
 3. Written confirmation that a project formulation workshop to formulate proposals for the Second Phase of the Chimanes Sub-Project and the other related proposals for the wider Chimanes Program described in the Yokohama MOU will be held at a site in or near the project area, and that it will be coordinated with the mid-year ITTO monitoring and evaluation visit for the Project.
 4. A written undertaking from the Government of Bolivia that it will fund the total salary requirements for national project directors and other key staff from the national contribution to the overall project budget in any proposals for second phase projects.
- (5) PD 52/89 Rev.4 (F) Forestry Treatment by Thinning-Out in the Context of a Pilot Forest Development Scheme in the Reserve Forest of Sud-Bakundu.

Budget and Funding Sources:

Total Budget:	\$ 2,116,400
Government of Cameroon:	\$ 949,500
Government of Japan:	\$ 1,066,900
Government of the United States of America	\$ 100,000

Implementing Agency:

Office National de Developpement des Forets (ONADEF)

Starting Date and Duration:

1 August, 1992
4 Years

The project was approved by the Council at its Twelfth Session in May 1992 and financing was allocated for its immediate implementation, subject to the condition that no substantial release of funds take place until a detailed workplan was received by the Secretariat. Amongst other things, the Committee specified that this workplan should include:

/...

1. A Consultative Committee to act as an official communication channel between the project and all interested parties including any indigenous people living in the area or affected by the project's activities.
2. A Steering Committee to guide the technical conduct of the project.
3. A time schedule and a detailed budget for all activities within the approved project budget.
4. An indication of how environmental and social impact assessment will be taken into account during the implementation of the project.

The Agreement covering the implementation of the Project was signed on 22 July, 1992 and the first disbursement of funds (\$30,000) was made available to ONADEF on 8 September 1992. The Project Director has been appointed and is planning the practical arrangements concerning the commencement of the Project. The Secretariat assisted the project staff with the development of a Terms of Reference for an international consultant to develop a workplan to meet the requirements specified in the Committee's recommendation for project approval. An international consultant was hired and formulated a detailed workplan covering all aspects of project implementation.

A steering committee meeting is planned for January 1993 to review the workplan's recommendations and to swing the project into full scale implementation.

- (6) PD 53/89 Rev.1 (F) Preparation of A Master Land-Use Plan for Forest Areas, Cameroon

Budget and Funding Sources:

Total Budget:	\$ 480,000
Government of Cameroon:	\$ 85,000 *
Government of Japan:	\$ 373,315
Government of Norway:	\$ 21,685

* plus other contributions in kind

Implementing Agency:

Government of Cameroon

Starting Date and Duration:

October 1990

One year

The Project was approved by the Council at its Sixth Session in May 1989 and at its Eighth Session the Council allocated funds for implementation. An Agreement between ITTO and the Government of Cameroon was concluded on 19 September 1990. The first transfer of funds from the Special Account was made on 20 September 1990. Work on the Project was initiated and in April 1991, Poulin Theriault Ltd. of Canada was selected as the international consultants for the Project. Some delays were apparently experienced in obtaining inputs such as maps and previously collected inventory data. However, these logistical problems have apparently been overcome with the formation of a Project Coordination Group involving all the units of the Government of Cameroon with an interest in the project.

The Project was divided into two Phases. Phase I focused on an area of about 3.8 million hectares while Phase II concentrated in the adjacent zone of 7.8 million ha. Work on inventory analysis, analysis of demand for forest products and analysis of information on forest management from previous research has now been completed. Development patterns/options for these areas have been evaluated including the provision of a timeline and cost estimates for the areas assigned to particular purposes such as timber production, agroforestry and wildlife reserves. An outline of the experience gained during the execution of the Project was also presented during the seminar on land-use planning to secure the permanent forest estate which was held in Yaoundé during the Twelfth Session of the ITTC as part of PD 148/91 Rev.3 (M,F,D).

Three reports are being developed as an outcome of this project and include a report outlining activities for each of the two phases described above, and a final report summarizing the achievements of the project as a whole. These reports are expected to be received by the Secretariat in the beginning of 1993.

- (7) PD 68/89 Rev.1 (F) Management of Tapajòs National Forest for Sustainable Production of Industrial Timber

Budget and Funding Sources:

Total Budget:	\$ 3,037,946 *
Government of the United Kingdom:	\$ 1,513,146
IBAMA:	\$ 1,524,800

* including contributions in kind by IBAMA

Implementing Agency:

Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA)

Starting Date and Duration:

August 1992
Five years

The Council approved the Project at its Seventh Session in November 1989. Financing was at that time not made available, but the Council authorized the Executive Director to start implementation of the Project as soon as financing was secured through earmarked contributions to the Special Account.

The Government of the United Kingdom provided full financing for the Project through an earmarked contribution to the Special Account in February, 1990. Delays were experienced in drafting a Project Agreement mutually acceptable to both the donor and the Government of Brazil. However, following discussions with all parties during the Tenth Session of the Council in Quito, and following further drafting and negotiation during the Eleventh Session in Yokohama, it was expected that the agreement would be signed and that the project would become operational early in 1992. The Agreement was signed on 27 February and the first release of funds was made on 19 August, 1992. Following consultations with the Secretariat in September, the Implementing Agency IBAMA has planned to hire a national consultant to develop the operational workplan for the implementation of the Project under terms of reference jointly agreed upon by IBAMA and the Secretariat. The first meeting of the Project Steering Committee for this Project took place in December 1992. Full implementation of this project will begin as soon as administrative problems regarding the disbursement of funds from IBAMA's international bank account to the local project account are resolved.

- (8) PD 69/89 Rev.1 (F) Workshop on Sustained Tropical Forest Management with Special Reference to the Atlantic Forest

Budget and Funding Sources:

Total Budget:	\$ 68,000
Government of Japan:	\$ 68,000

Implementing Agency:

Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) in Cooperation with the Brazilian Foundation for Nature (FUNATURA)

Starting date and Duration:

July 1990
Eight months

The project was approved by the Council at its Seventh Session and financing was allocated to allow immediate implementation. An Agreement between ITTO and IBAMA, for the execution of the Project, was concluded in July 1990. The Workshop was planned to be held in March, 1991. However, delays occurred and on November 4, 1991, the ITTO Secretariat received advice from IBAMA that it would be working with the Brazilian Foresters Society (SEBF) to conduct the workshop during 1992. Following clarification of a number of issues with IBAMA re the relationship with SEBF the full amount of \$68,000 was disbursed on 3 July, 1992. The workshop was held during the week beginning 23 November 1992, and the Secretariat is awaiting submission of the final report, including the workshop proceedings.

- (9) PD 71/89 Rev.1 (F) The Economic and Environmental Value of Mangrove Forests and Present State of Conservation

Budget and Funding Sources:

Total Budget:	\$ 270,000
Government of Japan:	\$ 270,000

Implementing Agency:

Japan International Association for Mangroves (JIAM) in Cooperation with the International Society for Mangrove Ecosystems (ISME).

Starting Date and Duration:

January 1991.
18 Months.

The Project was approved by the Council at its Seventh Session in November 1989, but financing was not made available at that time. However, at its Eighth Session in May 1990 the Council allocated full financing for the Project. An agreement between ITTO and JIAM regulating the execution of the Project was concluded in January 1991. Subsequent to that date, JIAM presented a detailed workplan and the first disbursement of funds was made in March 1991. A memorandum of understanding for the actual execution

of the surveys associated with the Project was signed between JIAM and ISME in September 1991. A Steering Committee comprising of representatives from JIAM, ISME, ITTO and the donor Government, Japan, was held in Tokyo on October 22, 1991. This meeting was followed by a workshop which was held in Bangkok from November 18-20 1991 to develop a reporting framework and encourage the participation of the various National Mangrove Committees in the region.

Work on compiling and analyzing the various Country Reports began in the early part of 1992 and a further workshops have been held in both Fiji and Tokyo to collate information on the present conditions of Mangrove ecosystems in the Pacific Region. The last workshop proceedings, and the final report are expected to be received by the Secretariat in early 1993.

- (10) PD 74/90 (F,I) Better Utilization of Tropical Timber Resources in Order to Improve Sustainability and Reduce Negative Ecological Impacts

Budget and Funding Sources:

Total Budget:	\$ 600,000 *
Government of Germany:	\$ 600,000

* plus contributions in kind by participating governments

Implementing Agency:

The Federal Research Center for Forestry and Forest Products, Hamburg, Germany.

Starting Date and Duration:

December 1990
Two years

The Council approved the project, at its Eighth Session in May 1990, and allocated funds for its immediate implementation. An Agreement for the execution of the project, prepared by the Government of the Federal Republic of Germany, was signed by the Executive Director on 11 December 1990. This agreement has been supplemented with a more direct agreement with the final executing agency which provides for subcontracting agencies in study countries.

A special account has been established by ITTO at the Deutsche Bundesbank in Frankfurt, and an initial release of some DM 191,000 was made available by August 1991. As the first activity in the project, the implementing agency has focused on sustainable production in Ghana and has signed an agreement with the Forest Products Research Institute in Kumasi for the conduct of field and mill studies. In this early phase, the following work was undertaken:

- * Three studies of logging damage and wood waste for medium size enterprises.
- * Studies on wood waste and recovery for one sawmill, one veneer mill, one furniture factory and for wood conversion activities carried out by a number of woodworkers in Kumasi.

At the time of the Tenth Session of the Committee, it was envisaged that a number of additional logging damage and wood conversion studies would be undertaken in other producer countries. In this regard, agreements have been signed between the Executing Agency and the national institutions who will conduct

/...

the field and mill studies in Indonesia and Malaysia. These institutions are the Malawarman University in Samarinda in East-Kalimantan in Indonesia and the Forestry Department in Sarawak, Malaysia. A similar agreement has been signed with ONADEF in Cameroon and all studies are now fully operational.

It had been planned to hold a formal mid-term review of the Project before the November Session of the Committee. However, with the workload on the Secretariat, this has not been possible. The Committee approved the requested formal extension of six months to the end of June 1993 for the Project which involves no change to the approved budget. A review workshop will now be held at the Implementing Agency's headquarters in Hamburg in early April, 1993.

- (11) PD 75/90 (F) Development of Genetic Resistance in the Tropical Hardwood Iroko to the Damaging Insect Pest: *Phytolyma lata*

Budget and Funding Sources:

Total Budget:	\$ 322,743
Government of Ghana:	\$ 65,333
Government of Japan:	\$ 157,410
Government of Denmark:	\$ 100,000

Implementing Agency:

Forest Products Research Institute, Kumasi, Ghana

Starting Date and Duration:

10 December 1990
Three years

The Council approved the Project at its Eighth Session in May 1990 and allocated funds for immediate implementation. A draft agreement on the implementation of the Project was sent to the Ministry of Lands and Natural Resources, Ghana on June 5, 1990. The final text was agreed upon on November 15 and the Project became operational on December 10, 1990, when the Agreement was signed.

The first installment of funds was released in December 1990 and the first progress report covering the first period of field activity till mid May 1991 was received by the Secretariat soon after. During this initial period, the following activities were completed:

- * Selection of two sites for temporary nurseries.
- * Development of guidelines for seed collection.
- * Seed extraction, sowing and germination tests.

On-going activities include laboratory seed viability testing, asexual reproduction studies, stem cutting studies and air-layering studies. The Project Leader, Dr. Joe Cobbinah, also undertook Fullbright Fellowship Studies related to the Project in the United States in the latter half of 1991. He returned to Ghana on 5 March 1992 for the next period of significant insect activity and field study.

A formal mid-term review of the project was held in July 1992 and good progress has been made with all project activities. A total of 4 progress reports have been sent to the Secretariat, and to date, Project Staff have also produced a total of 5 technical papers. A total of 53 provenances have been planted and trials have been undertaken with insecticides, shading, companion planting and the impact of different planting methodologies. Preliminary results indicate that while all provenances are susceptible to insect damage, sufficient variation exists to warrant further investigation. In this regard, a forest geneticist, Dr. Risper N. Nyong'o joined the project in late October 1992.

- (12) PD 77/90 (F) Establishment of A Pilot Area for Silviculture in Closed Forests in Congo

Budget and Funding Sources:

Total Budget:	\$ 642,000
Government of the Congo:	\$ 113,000
Government of Japan:	\$ 529,000

Implementing Agency:

Centre Pilote d'Afforestation en Limba (CPAL)

Starting Date and Duration:

June 1992
Five years

The Project was approved by the Council at its Eighth Session in May 1990, but financing was not made available at that time. The Council allocated full funding at its Ninth Session in November 1990. A draft Agreement for the implementation of the Project was sent to the Ministry of Forest Economics, Congo on 28 December, 1990. Further negotiations between the Secretariat and the implementing agency occurred during the latter part of 1991 and the Project Agreement was signed on 10 January, 1992. The first installment of funds was released on 11 June 1992 and a joint project review is scheduled for March 1993.

- (13) PD 84/90 (F) The Establishment of A Demonstration Plot for Rehabilitation of Forests Affected by Fire in East Kalimantan [Phase II of PD 17/87 (F)]

Budget and Funding Sources:

Total Budget:	\$ 867,050
Government of Indonesia:	\$ 163,050
Government of Japan:	\$ 441,000
Government of Switzerland:	\$ 150,000
Government of Norway:	\$ 100,000
Government of the Netherlands:	\$ 13,000

Implementing Agency:

The Agency for Forestry Research and Development, Ministry of Forestry,
Indonesia

Starting Date and Duration:

February, 1991
Two years

The Council approved the Project and made funds available for an immediate implementation at its Eighth Session in May 1990. An Agreement for the execution of the Project was concluded in February, 1991, and following receipt of advice on bank account numbers and the issuing of executing instructions to the Implementing Agency, the first disbursement of funds was made on 6 November 1991. Consultations on the selection of international technical staff were held with the ITTO Secretariat in November 1991 and have now been finalized. The detailed trial site has been selected and field demarcation of this site was to be completed in May and June of 1992. In addition, key items of equipment such as vehicles have been purchased to allow the Project to become fully operational.

Progress in implementing the early stages of the workplan were reviewed by the Assistant Director for Reforestation and Forest Management during a Consultative Visit to Indonesia in February 1992 in regard to the ITTO Activity on the Protection of Tropical Forests Against Fire. This review revealed good progress with Project implementation and the second disbursement of funds was made on July 3, 1992.

The international consultant joined the project at the beginning of April and the Secretariat received the third Progress Report from the Implementing Agency on 27 August 1992. Work has advanced well in the areas of forest inventory, nursery establishment and the demarcation of field areas. However, field work has been made difficult in some areas due to limited internal road access. The consultant proposed some changes in budget lines to ensure the smooth running of the project without changing the amount of ITTO's contribution. The Project is due for a joint ITTO/MOF review in late March 1993.

- (14) PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase I)

Budget and Funding Sources:

Original Budget:	\$ 500,000
Government of Japan:	\$ 400,000
Government of Denmark:	\$ 100,000
Extension Period Budget:	\$ 138,000
Government of Japan:	\$ 88,000
Government of Denmark:	\$ 50,000

Implementing Agency:

ITTO Secretariat

Starting Date and Duration:

December 1990
One year - extended till 30 June 1993 by XIII Council Decision

The Council approved this Project at its Eighth Session in May 1990 and made funds available for immediate implementation. A research institution in each tropical region was to be assigned as coordinator of information collection and dissemination. However, a proposal for implementing the Project on a trial basis in the Asia-Pacific Region was presented to the Permanent Committee at its Seventh Session in November 1990 in document PCF(VII)/9. This Proposal was approved and a limit of \$200,000 was set for its implementation.

An Agreement for executing the trial in the Asia-Pacific Region was concluded with ANUTECH Pty. Ltd., and the first regional edition of the "ITTO Forest Management Update" newsletter was distributed by ANUTECH in April 1991. Since then, seven additional editions have been released with the sixth edition for 1992 being planned for release in December. The newsletter now has a circulation list in excess of 2400 names. It also offers a free literature search for subject areas related to tropical forest management, and this is being well patronized by its readers.

Other activities undertaken during the trial project have included:

- * Development of a data base on forestry institutions and individuals in the Asia-Pacific Region.
- * A study tour by the Project coordinator to Indonesia, Thailand and Malaysia to gather information about forestry research institutions and human resource issues.
- * Development of contacts with other international development agencies to seek their involvement in the review and development of human resources in the forestry sector.
- * Issuing questionnaires to senior foresters in the region to help determine forestry training requirements.
- * Developing contacts with various IUFRO Working groups with interests in tropical forest management to obtain more information on current research projects, active researchers and available research outputs.
- * Investigating the location of tropical forest inventory and yield plots in the three tropical regions with a view to developing an integrated data base for management planning.

At its Eighth Session, the Committee recommended the release of an additional \$100,000 from the overall Project budget to allow for a review workshop to explore future options for the network including its extension to Africa and Latin America. Due to budget limitations, the decision was taken to hold three separate regional workshops to determine regional training priorities, and to follow this with a synthesis workshop with two delegates from each of the regional workshops. Invitations and preworkshop questionnaires were distributed to all member countries, and the first regional workshop was held in Douala Cameroon from December 12-13 1991. The other workshops were held in Santa Cruz Bolivia in January 1992 and in Kuala Lumpur Malaysia in February, 1992. The Eleventh Session of the Council also accepted the Committee's recommendation that a further \$68,000 be released from existing project funds to ensure continuity of project outputs from that Session until June 1992.

The outputs of these workshops and a detailed proposal to extend the network to the three producer regions were presented to the Committee in document PCF(X)/7. The Tenth Session of the Committee noted this report and commented favorably on the implementation of the initial trial in the Asia-Pacific Region. The Committee further recommended that:

/...

- a. Approval be given for the budget proposed in Appendix 1 of document PCF(X)/7 to allow the continuation of the Project until the end of 1992, including the provision for the production and translation of special summary editions of the ITTO Tropical Forest Management Update Newsletter in French and Spanish for Africa and Latin America respectively.
- b. The proposals for extension of the network during the Period 1993-1995 outlined in PCF (X)/7 and in the budget presented in Appendix 2 should be formulated into a Phase II Project Proposal and presented for consideration in the Project Cycle leading to the Thirteenth Session of the Council.

Recommendation (a) above was approved by the Twelfth Session of the Council and a further \$125,800 was allocated to allow the continuation of the Project until the end of 1992. Since the Council Session, a further four editions of the ITTO Tropical Forest Management Update Newsletter has been published for the Asia-Pacific Region.

The first summary edition of the Update in Spanish has been published under the title "ACTUALIDAD FORESTAL TROPICAL" and was distributed to contact points in Latin America immediately before the November Council Session. The first French Edition for Africa has been produced under the title "GESTION ACTUELLE DES FORETS TROPICALES" and was distributed to contact points in Africa during the November Council. Both of these editions will have an initial print run of 750, with subsequent expansion in accord with demand.

An extension of this project was approved by the XIII Session of the Council to allow a continuation of project activities until the 30 June 1993, with financing committed by the Governments of Japan and Denmark. During the interim, a working group has been formed by the three permanent committees to coordinate the reformulation of a second phase, which will be presented in the Fourteenth Council Session in Kuala Lumpur.

(15) PD 88/90 (F) Sustainable Selective Harvesting of Mahogany in Bolivia

Budget and Funding Sources:

Total Budget:	\$ 114,000
Government of the United States:	\$ 114,000

Implementing Agency:

Government of Bolivia

Starting Date and Duration:

June 1990
Three Years

The Project was approved by the Council at its Eighth Session but funding was not made available at that time. The Council authorized the Executive Director to start implementation as soon as earmarked funds covering the total ITTO contribution were available in the Special Account. However, the government of Bolivia received partial funding for the Project from the National Science Foundation in the United States through its cooperating agency Princeton University. The Government of Bolivia therefore presented a revised budget of \$114,000 as compared to the budget requirement of \$348,914 in the original proposal. This

change to the Project was approved by the Council and funds for its support were pledged during the Tenth Session. The Project Agreement was signed on 25 June, 1992, and following receipt of a signed MOU between the Implementing Agency and Princeton University on 2 October 1992, the full disbursement of funds was made on 13 October, 1992.

Researchers from Princeton University have been operating in the project area since 1990 with funds obtained from the National Science Foundation. A number of papers have been prepared on topics such as the nature and extent of logging impacts and the ecological distribution and stand dynamics of Mahogany. These papers are currently under review for publication in scientific journals.

(16) PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia (Phase I)

Budget and Funding Sources:

Budget Total:	\$ 4,250,000
Government of Indonesia:	\$ 450,000
Government of Japan:	\$ 3,800,000

Implementing Agency:

Ministry of Forestry, Indonesia

Starting Date and Duration:

1 April 1991
Three years

The Project was approved by the Council at its Eighth Session in May 1990 and funds were made available for immediate implementation. An Agreement between ITTO and the Government of Indonesia regulating the implementation of the Project was concluded in February 1991, with the Project's Resident Advisor being appointed from April, 1 1991. Some delays were experienced in establishing the infrastructure for the Project and in negotiating a Memorandum of Understanding between ITTO, USAID and the Ministry of Forestry as envisaged in the Project Agreement. However, the MOU was signed during the third week of September 1991.

Draft workplans for four activity areas were prepared by the Resident Advisor and were evaluated by the Ministry of Forestry before submission to the ITTO Secretariat for comment. These areas included:

- * Pilot Demonstration on Sustainable Integrated Management of Natural Forest at Bukit Baka.
- * Human Resources Development for Sustainable Management through Overseas Training.
- * Human Resources Development for Sustainable Forest Management through In-Country Training.
- * Human resources Training for Sustainable Forest Management through Workshops and Conferences.

/...

Signing of the MOU formally allowed the constitution of a Project Management Group and the formulation of detailed workplans. The above detailed Workplans have now been received by the Secretariat and the first disbursement of funds (\$650,000) was made on 20 July, 1992.

Project Leaders have been appointed to coordinate activities in the various components of the project. An umbrella agreement is also being formulated to accommodate future cooperation between MOF and the two forest concession holders in whose areas the proposed research investigations and management plans are to be located.

With regard to the pilot demonstration on integrated management at Bukit Baka, planning work has begun for the construction of the field research station as proposed in the project document. It is anticipated that three houses for experts, one manager's residence and dormitory and support buildings for research students will be completed by March 1993. The laboratories and other support buildings should be completed later in the year. In addition, the Project Leader for the research component is currently formulating a detailed research programme taking into account priority subject areas that have already been identified in the parallel USAID Natural Resource Management Project.

Under the direct human resources component of the Project, the project provided assistance for two senior Indonesian Government Representatives to attend the Fourth IUCN World Conference on National Parks in Caracas. The theme of this conference was the role of protected areas in sustaining society and it included sessions on the sustainable management of forest resources and the integration of general forestry with the management of totally protected areas. However, planning for the participation in formal post-graduate training and the internal Indonesian seminar and workshop program is still in the early stages. The Project will be due for its next joint ITTO/MOF annual review early in 1993.

- (17) PD 95/90 (F) Forest Management in the Alexander von Humboldt National Forest, Phase I, II, III

Budget and Funding Sources

Total Budget:	\$ 2,701,200
Phase I Budget:	\$ 506,000
Phase II Budget:	\$ 497,000
Phase III Budget:	\$ 497,000
Government of Peru:	\$ 1,201,200
Government of Japan:	\$ 506,000
To be determined:	\$ 994,000

Implementing Agency:

Directorate General for Forestry and Wildlife, Ministry of Agriculture, Peru

Starting Date and Duration:

15 September, 1991
One year

The first phase of this Project involves the development of a forest management plan for a 105,000 ha of the Alexander Von Humbolt National Forest, conduct of a detailed forest assessment for the first 3,500 ha annual coupe and the calling of tenders for the harvesting of this area.

The project was approved by the Council at its Ninth Session and funds were made available for implementing Phase I. A draft agreement for the implementation of Phase I was sent to the Government of Peru, through the Embassy in Tokyo, on 20 December, 1990, and was signed on 15 September, 1991. Following the receipt of banking details from the Implementing Agency, the first release of funds was made on 10 September 1992. The second disbursement of funds is due in January 1993 and a joint Government of Peru/ITTO review is due in June 1993.

(18) PD 97/90 Rev 1. (F): Multi Stage Survey of Tapajòs National Forest

Budget and Funding Sources:

Total Budget:	\$ 102,400
Government of Japan:	\$ 102,400

Implementing Agency:

Fundação Pró-Natureza (FUNATURA)

Starting Date and Duration:

10 April 1991.
Eight months

The project was approved by the Council at its Ninth Session in November 1990 and funds were made available for immediate implementation. A draft agreement for the implementation of the project was sent to FUNATURA, through the Brazilian Embassy in Tokyo, on December 18, 1990. The Project Agreement was signed on 4 April 1991 and the first release of funds took place on 10 April, 1991. A detailed workplan was subsequently forwarded to the secretariat on 15 September 1991. Field work for the project had begun and that some revisions of the budget had proven necessary during the formulation of the workplan. However, no increase in the overall project budget were envisaged, and the changes to the original budget headings were relatively minor.

All field work and data analysis has now been completed and a 41-page draft final report was received on 27 July 1992. The Project was approved without any budget allocation for either monitoring and evaluation or report publication and dissemination. In this regard, the XIII Council approved an extension of the project and an increase in budget by \$500 for an independent review by two tropical forest inventory specialists with a view to providing editorial guidance for possible publication in the ITTO Technical Series or elsewhere. The review should be completed by early 1993 and submitted to the next Session of the Permanent Committee on Reforestation and Forest Management.

(19) PD 99/90 Rev. 1 (F) Establishment of Rio Preto's National Forest

Budget and Funding Sources:

Total Budget:	\$ 1,393,000
IBAMA:	\$ 924,000
Government of Japan:	\$ 469,000

Implementing Agency:

Brazilian Institute for Environment and Renewable Natural Resources (IBAMA)

Starting Date and Duration:

1 February, 1992
Five years

The Council approved the Project at its Ninth Session and made funds available for immediate implementation. A draft agreement was sent to the Government of Brazil, and signed on 4 April 1991. Some delays in facilitating the first release of funds occurred but the first release was made on 30 January 1992. Following consultations with the Secretariat in September, the Implementing Agency IBAMA is developing a operational workplan for the implementation of the Project under terms of reference similar to those jointly agreed upon by IBAMA and the Secretariat for PD 68/89 Rev.1 (F). The first meeting of the Project Steering Committee for this Project reviewed the draft workplan in December 1992.

(20) PD 103/90 Rev. 1 (F) Training and Manpower Development in Community Forestry Management

Budget and Funding Sources:

Total Budget:	\$ 1,203,000
Government of Japan:	\$ 1,203,000

Implementing Agency:

The Institute of Forestry, Tribhuvan University, Nepal

Starting Date and Duration:

1 October, 1992
Four years

The Council approved the Project at its Ninth Session and made available funds for its immediate implementation. A draft agreement for the implementation of the project was sent to the Ministry of Forests and Soil Conservation, Government of Nepal on December 20, 1990. There were a number of delays in signing the Project Agreement due to the elections and other political changes. However, the agreement was signed on 20 April 1992.

The first disbursement of funds (\$150,000) was made on 2 September 1992 following receipt of information on the banking arrangements of the Implementing Agency. Work has begun on obtaining quotations for the infrastructure construction outlined in the Project Document. The Implementing Agency is also actively recruiting their first visiting scholar who, amongst other things, will assist in developing the detailed Terms of Reference for the other visiting scholars envisaged in the Project Document. The first joint review of the progress of the Project by His Majesty's Government of Nepal and ITTO is due in April 1993.

(21) PD 105/90 Rev. 1 (F) Model Forest Management Areas

Budget and Funding Sources:

Total Budget:	\$ 2,019,344
State Government of Sarawak:	\$ 259,168
Government of Japan:	\$ 1,560,176
Government of Switzerland:	\$ 200,000

Implementing Agency:

Forest Department, State Government of Sarawak.

Starting Date and Duration:

13 November, 1991

Two years

The Council approved the project at its Ninth Session in November 1990 and made available financing for immediate implementation. A draft agreement regulating the implementation of the project was sent to the State Government of Sarawak was signed on 13 November 1991. The Secretariat has provided the implementing agency with a provisional list of possible consultants for the various international technical positions associated with the project, and the first disbursement of funds (\$290,000) was made on 23 March, 1992.

- (22) PD 106/90 Rev. 1 (F) Development of the Lanjak-Entimau Wildlife Sanctuary as a Totally Protected Area, Phase I

Budget and Funding Sources:

Total Budget:	\$ 1,985,141
State Government of Sarawak:	\$ 234,304
Government of Japan:	\$ 1,550,837
Government of Denmark:	\$ 200,000

Implementing Agency:

Forest Department, State Government of Sarawak

Starting Date and Duration:

13 November, 1991

Two years

The Project was approved by the Council at its Ninth Session in November 1990 and funds were made available for its immediate implementation. A draft agreement for the implementation of the Project was sent to the State Government of Sarawak, through the Malaysian Embassy in Tokyo, on 18 December, 1990. The Agreement was signed on 13 November, 1991 and the Secretariat has provided the implementing agency with a provisional list of possible consultants for the various international technical positions associated with the project. The first disbursement of funds (\$290,000) was made on 23 March, 1992.

The second disbursement of funds (\$300,000) was made on 4 August 1992. Following consultations with the ITTO Secretariat, the Executing Agency offered the position of team Leader to Mr. Mohd Khan Bin Momin Khan of Malaysia who took up his appointment on 1 November 1992. The local co-leader and counterparts have already been assigned to the project.

- (23) PD 114/90 (F) Workshop on Conservation and Sustainable Utilization of Mangrove Forests in the Latin American Regions

Budget and Funding Sources:

Total Budget:	\$ 480,000
Government of Japan:	\$ 480,000

Implementing Agency:

The International Society for Mangrove Ecosystems (ISME)

Starting Date and Duration:

21 January, 1992
20 months

The project was approved by the Council at its Ninth Session in November 1990. Funding was secured during the Tenth Session of the Council at Quito and an Agreement covering the implementation of the project was signed on 21 January, 1992. A Steering Committee Meeting was held in Okinawa on March 9th, 1992.

The first disbursement of funds (\$248,000) was made on 15 April 1992 and the first regional workshop was held in Niteroi, Brazil from May 28-30, 1992. The Executing Agency has placed greater emphasis on Latin America in the conduct of the project to avoid duplication with the UNESCO/UNEP COMARAF (Coastal Marine Ecosystems of Africa) Project. At the Yaoundé Session of the Committee a third workshop in Okinawa in association with the VII Pacific Science Congress within the limits of the current budget was approved.

The Second Project Steering Committee Meeting was held in Yokohama on 1 October 1992 to review the outputs from the Niteroi workshop and plans for the workshop for the African Region. A total of 43 participants attended the Niteroi workshop and the extended abstracts from this meeting have been produced. The full proceedings are currently being edited by ISME and some follow-up meetings have been scheduled between key participants in Latin America. Following consultation with the Secretariat, it was decided to hold the African workshop in Dakar to take advantage of the facilities offered by the UNESCO/UNEP COMARAF Project which will undertake the African review work for ISME at minimal cost. The workshop will be held from 20-22 January 1993.

- (24) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forests

Budget and Funding Sources:

Total Budget:	\$ 887,879
Government of Malaysia:	\$ 337,082
Government of Japan:	\$ 550,797

Implementing Agency:

Forest Department, Peninsular Malaysia.

Starting Date and Duration:

13 November, 1991
Four years

The Project was approved by the Council at its Ninth Session in November 1990 and full financing was allocated to enable immediate implementation. The Agreement to regulate the implementation of this project was signed on 13 November 1991 and work on the Project is expected to begin in the near future.

(25) PD 116/90 (F) Appropriate Forest Technologies

Budget and Funding Sources:

Total Budget:	\$ 655,000
Government of Japan:	\$ 318,000
The World Bank:	\$ 337,000

Implementing Agency:

Asia Region Technical Department of The World Bank

Starting Date and Duration:

27 August, 1991
One year

The Project, which was submitted by the Government of Japan in cooperation with the World Bank, was approved by the Council at its Ninth Session in November 1990 and financing for immediate implementation was made available. Negotiations on the terms of reference for the agreement for the implementation of the project were concluded on 26 February 1991 and the project came into operation after the signing of the Agreement on 27 August, 1991. A brief progress report was received by the Secretariat on November 21, 1991. The Project proposal envisaged three areas of activity and progress in these three areas was as follows:

1. A Study on the Design of an Information Network: A data base of some 5000 forestry related institutions worldwide has been developed and includes information on institutional structures, main activities or research programmes, consultant resources and innovative technologies or management systems. An interface system is being prepared and testing the utility of the system for users is envisaged.
2. Preparing a State-of-the-Art paper on the establishment and management of plantations: Papers currently being prepared in a number of topic areas will be both published as technical bulletins to ensure wide dissemination and synthesized into a comprehensive paper on plantation establishment.
3. Preparation of a research paper on Sustainable Management of Tropical Moist Forest: Six papers are currently in preparation covering the biological, economical, technical, sociological and ecological aspects of natural forest management. Drafts of these papers have been discussed at a workshop held in March 1992. The papers will subsequently be synthesized into a comprehensive paper which the World Bank had hoped to have published as a World Bank/ITTO book in late 1992.

Since the Tenth Session of the Committee, a number of publications have been produced under the programme including A Strategy for Asian Forestry Development (booklet), Strategies and Technologies for Asian Watersheds (booklet), Strategies for Forest Sector Development in Asia (Technical Paper) and a Technical Bulletin on Seed Collection. The Secretariat has requested multiple copies from the World Bank for distribution to members.

(26) PD 117/90 (M,F,I) Conference of Senior Foresters

Budget and Funding Sources:

Total Budget:	\$ 410,000
Government of Japan:	\$ 210,000
Forestry Agency of Japan:	\$ 200,000

Implementing Agency:

ITTO Secretariat and the Forestry Agency of Japan.

Starting Date and Duration:

December 1990
1 year

The objective of this project was to promote the adoption and application of sustainable management as stated in the ITTO Guidelines on the Sustainable Management of Natural Tropical Forests which were approved at the Eighth Session of the Council. The Project was approved by the Ninth Session of the Council to provide a forum for senior foresters and related experts with field experience in tropical forests to discuss how to implement ITTO Guidelines in a manner best suited to regional and local conditions.

The conference was held in Yokohama from July 23-26 1991 under the joint sponsorship of ITTO and the Forestry Agency of Japan. The major focus of the Conference was to identify actions that could be taken immediately to promote sustainable management of tropical forests as stated in the various ITTO guidelines on sustainability.

The Conference attracted a total of 178 participants and observers. Some 99 foresters and related experts from 40 countries outside Japan and 12 International Organizations and NGO's attended, including 25 participants from the Producer members of ITTO who were fully sponsored by the Project. In addition, 79 Japanese foresters and other experts from 29 organizations participated in the Conference. The Conference concluded with an 8 point declaration and a 10 point action plan that the participants committed themselves to implementing through their various agencies and professional associations. A summary report of the Conference findings was printed and distributed at the World Forestry Congress in September 1991.

Data from an initial evaluation questionnaire distributed at the end of the Conference has been tabulated and a follow-up questionnaire designed to monitor any policy or management changes that may have been stimulated by the Conference will be distributed in the near future. The English Edition of the proceedings was published in late June 1992. It was distributed at the XIII Council Session and is available upon request. The French and Spanish Editions will be available at the beginning of 1993.

- (27) PD 119/91 Rev.1 (F) Workshop on Women and Forestry - A Look at African Experiences.

Budget and Funding Sources:

Total Budget:	\$ 255,000
Government of Ghana:	\$ 33,400
Government of Japan:	\$ 171,600
Government of the United States:	\$ 50,000

Implementing Agency:

Forestry Department of Ghana and the 31st December Movement.

Starting Date and Duration:

26 March 1992
Nine months

The project was approved by the Council at its Tenth Session in Quito and \$221,600 was allocated for its immediate implementation. The Project Agreement was signed on 26 March 1992 and the first disbursement of funds was made on 23 July 1992.

The workshop was held from 12-16 October 1992 and ITTO was represented by the Assistant Director for Economic Information and Market Intelligence. There were 13 Speakers from 6 countries. The total number of participants and observers were in excess of 180 persons. The majority of participants were women.

As has become normal practice for ITTO sponsored workshops and conferences, the Secretariat prepared an evaluation questionnaire for distribution to participants in English or French as appropriate. A total of 74 questionnaires were completed and returned to the Secretariat. A preliminary analysis of the completed questionnaires indicated a very positive responses to the workshop with most participants indicating that they felt all conference objectives had been substantially achieved.

The proceedings of the workshop are now in production and it is hoped that a completion report with a full analysis of the evaluation questionnaires will be able to be presented to the next Session of the Committee.

- (28) PD 128/91 Rev.1 (F) Management, Conservation and Development of Mangrove Forests in Panama.

Budget and Funding Sources:

Total Budget:	\$ 489,000
Government of Japan:	\$ 489,000

Implementing Agency:

The Institute for Renewable Natural Resources, Forestry Development Directorate in cooperation with the National Water Board, Ministry of Agricultural Development, Panama.

Starting Date and Duration:

3 September, 1992
Five Years

The project was approved by the Council at its Tenth Session and \$489,000 was allocated for its immediate implementation subject to the Implementing Agency submitting a detailed workplan to the Secretariat and increasing the provision for ITTO evaluation and monitoring. A detailed workplan was received by the Secretariat in late July 1991 and the Project Agreement was signed on 3 September 1992 and the first disbursement of funds (\$248,300) was made on 10 September 1992. The first Steering Committee meeting is planned for the beginning of February 1993.

(29) PD 131/91 Rev.2 (F) Pilot Project for the Sustained Management of the So'olala Forest

Budget and Funding Sources:

Total Budget:	\$ 534,000
Government of Japan:	\$ 534,000

Implementing Agency:

Office National de Développement des Forêts (ONADEF)

Starting Date and Duration:

January 1992
Five years

The Council approved the project at its Tenth Session and allocated \$534,000 for its immediate implementation. The release of funds was, however, made subject to the Secretariat receiving a detailed workplan for the implementation of the project which amongst other things was to include provisions for a Consultative Committee structure to allow for liaison between the project management and the people living in and near the project area. A workplan was submitted to the Secretariat and the Project Agreement was signed on 19 November, 1991. The first funds (\$172,500) were released on 18 December, 1991.

The Secretariat conducted an initial six-month review of project progress in August 1992 where general project planning and implementation was discussed. National staff have now been recruited for the project and the initial site surveys and contact with local communities has been made. Preparation of detailed maps is underway as is the conduct of the socio-economic surveys and the development of a detailed harvesting plan. An international consultant has been recruited to help with the planning and management of the agro-forestry programme and work has begun on both the training of community extension agents (popularizers), and the development of the proposed nurseries. Both a Consultative Committee and a Steering Committee have been constituted. The Consultative Committee met December 1992 while the first formal meeting of the Steering Committee is scheduled for January 1993. These committees are reviewing both the detailed project planning and the progress with early implementation.

(30) PD 132/91 Rev.1 (F) Training Forestry Workers in Carrying Out Certain Tasks Related to Forestry

Budget and Funding Sources:

Total Budget:	\$ 281,000
Government of Cameroon:	\$ 120,000
Government of Japan:	\$ 161,000

Implementing Agency:

Office National de Développement des Forêts (ONADEF)

Starting Date and Duration:

January, 1992
Two years

The Council approved the project at its Tenth Session and allocated \$161,000 for its immediate implementation. The release of funds was, however, made subject to the Secretariat receiving a detailed workplan for the implementation of the project. A workplan was submitted to the Secretariat and the Project Agreement was signed on 2 December, 1991. The first funds (\$105,000) were released on 18 December, 1991.

Twelve trainers were employed and they immediately began to prepare training materials for the first course which was expected to occur in late April at the Forestry School in Mbalmayo. Some delays were experienced due to availability of classroom facilities at the National Forestry School. However, by the beginning of August, all lectures and other training materials had been compiled, all training equipment had been purchased and the first group of 90 trainees have been selected. The first classroom course was due to begin in late August and was to be followed by a period of field training. A mid-term review of the Project is due in January 1993 and will be timed to review experiences from gained from the first training group before the training programme for the second group of candidates begins.

(31) PD 138/91 Rev.2 (F) Program for Sustainable Forest Management in the Ecuador Forest Institute

Budget and Funding Sources:

Total Budget:	\$ 325,635
Government of Ecuador:	\$ 19,195
Government of Japan:	\$ 306,440

Implementing Agency:

Sub-secretariat for Forestry and Renewable Natural Resources, Ministry of Agriculture and Livestock, Government of Ecuador.

Starting Date and Duration:

1 August, 1992.
6 months.

/...

The second revision of this project was approved by the Tenth Session of the Council and \$306,440 allocated for its implementation. The Project Agreement was signed on 16 December 1991. The first disbursement of funds (\$209,440) was made on 20 July, 1992.

The Coordinator for the project has been appointed and is currently recruiting both the national and international consultants proposed in the Project Document. The Forest Institute in Ecuador (INEFAN) has now been formally established and the first public meetings on its future operations have been held. In light of the reorganization of the Government's forestry agency into a newly formed organization, INEFAN, a request has been received by the Secretariat to approve of minor modifications in the workplan. This request will be further explored by the Secretariat. 1993.

(32) PD 148/91 Rev.3 (M,F,I) Seminar on Economic Case for Sustainable Tropical Forest Management

Budget and Funding Sources:

Total Budget:	\$ 115,000
Government of Japan:	\$ 115,000

Implementing Agency:

ITTO Secretariat

Starting Date and Duration:

April, 1992
Two months

This project was approved by the Council at its Tenth Session and \$115,000 was allocated for its implementation in conjunction with the Eleventh Session of the Council. However, with the heavy time demands on the Secretariat with the Conference of Senior Foresters [see PD 117/90 (M,F,I)], project review missions and servicing working groups and expert panels, it was not possible to organize the proposed seminar in time for the Eleventh Session. The Ninth Committee therefore recommended that the Council should request the Secretariat to organize a seminar for the forthcoming Twelfth Session of the Council in Yaoundé in consultation with delegates from African member countries. It was also suggested that the theme for the Seminar could be changed to focus on land-use planning and land tenure to secure the permanent forest estate.

Arrangements were made to hold the seminar in conjunction with a field trip on Saturday, May 9, 1992 during the Twelfth Council Session. Topics covered included resource inventories for land use planning, the legal and administrative aspects of land use planning in Africa, reflections on African experiences with land use planning and consideration of a forest land use planning case study being undertaken in Cameroon under ITTO funded Project PD 53/89 Rev.1 (F). Following these formal presentations, a panel discussion was held with participants from all African Producer Member Countries and the African Timber Organization. A proceedings consisting of the formal presentations and the country issues papers is currently being edited for publication, and is expected to be completed in early 1993.

(33) PD 149/91 Rev.3 (F) Technical Workshop to Explore Options for Global Forest Management

Budget and Funding Sources:

Total Budget:	\$ 250,000
Government of Japan:	\$ 100,000
Asian Development Bank:	\$ 100,000

Implementing Agency:

Department of Environment and Natural Resources of the Government of the Philippines - DENR.

Starting Date and Duration:

February 1992
Two months - extended

The project was proposed by the Government of Japan and approved by the Council at its Tenth Session. The Council allocated a maximum of \$100,000 subject to the project receiving co-financing from other international organizations. Notification of co-financing for an additional \$100,000 was received from the Asian Development Bank on 27 November, 1991 and a Preparatory Committee meeting comprised of interested delegates to the Eleventh Session of the Council was held in Yokohama on 1 December, 1991. A target date of late February was selected to allow the Workshop to have input into the UNCED process, and the Ninth Session of the Committee recommended approval be given for both a reduced workshop budget of \$200,000, and for the implementing agency to accept additional financial contributions from sources other than international organizations to increase the sponsored participation of participants from developing countries.

Following the conduct of a Preparatory Committee Meeting during the Eleventh ITTC Session, the decision was taken to hold the workshop in the week beginning February 17. However, with the short time period and the heavy agenda of Pre-UNCED meetings, a poor response to the initial invitation for participants was received. At its Tenth Session, the Committee endorsed the postponement of the workshop provided that the Implementing Agency could issue invitations to participants at least three months ahead of the scheduled dates for the workshop.

The Committee also endorsed an increase in the approved budget from \$200,000 to \$250,000 using residual funds from the previous Bangkok Forest Options Workshop with the concurrence of donors. The workshop has now been rescheduled for early 1993.

(34) PD 156/91 Rev.2 (F) Establishment of Two Model Forest Nurseries and Forest Management Project

Budget and Funding Sources:

Total Budget:	\$ 211,636
Government of Japan:	\$ 211,636

Implementing Agency:

Forest and Timber Sector Development Corporation of Ecuador - CORMADERA

Starting Date and Duration:

January 1992

Two years

The project was approved by the Council at its Tenth Session and \$211,636 was allocated for its implementation including \$20,000 for ITTO monitoring and evaluation. This approval was subject to the condition that no funds should be released until a detailed workplan for both nursery establishment and research was submitted to the Secretariat, including provisions for liaison between project management and the people living in or near the project area. The workplan was also to provide information on the provenance of materials used for nursery propagation and the criteria used for its selection. A draft Project Agreement was forwarded to the Government of Ecuador on 1 October, 1991 and signed on January 21, 1992. The first release of funds (\$124,960) was made on 30 January, 1992 and national staff have subsequently been recruited and work has begun on preparations for the first planting season in October - December. The first six month progress review was due to be undertaken in early September but has had to be postponed until early 1993 due to other work demands on the Secretariat.

- (35) PD 157/91 Rev.2 (F) Establishment of an International Network for the Conservation and Sustainable Utilization of Mangrove Genetic Resources.

Budget and Funding Sources:

Total Budget:	500,000+87,007+200,000 = \$787,007.00
Government of Japan:	500,000+56,445.55 = \$556,445.55
Government of Australia:	30,561.45 = \$30,561.45

Implementing Agency

Center for Research on Sustainable Agricultural and Rural Development, Madras, India.

Starting Date and Duration:

10 September, 1991

One year

The project was approved by the Tenth Session of the Council and \$500,000 was allocated for its immediate implementation. The release of funds was conditional on the Secretariat receiving a detailed workplan for the conduct of the project. The workplan was presented to the Secretariat on June 25th, 1991. Following comments from the Secretariat, a revised plan was forwarded on 8 July, 1991. The Project Agreement was signed on 10 September, 1991. The first Project Steering Committee was held in Madras from 8-10 October 1991, and was attended by the Assistant Director. The Steering Committee has an international membership with representative from China, India, Indonesia, Malaysia, the Philippines and UNESCO.

Work on the Project is now well advanced with the final nomination of some 25 sites for key mangrove conservation centers from some 10 countries. The first evaluation team of international experts had examined 9 areas in India and Papua New Guinea by the end of May. Similar evaluation missions were carried out with visits to Indonesia, Malaysia, the Philippines and Thailand. An evaluation visit for the western zone nominations in Cameroon, Senegal and Pakistan is planned for February 1993.

An international consultative meeting on the development of an database information system for mangroves was held in Madras in January 1992. As a result of this meeting, a database and software development program has been initiated and a permanent technical steering committee established to guide on-going developments in this area. The training aspects of the Project are also well advanced with some 21 students from 13 countries joining an intensive 2 month train-the trainers course on the conservation of mangrove genetic resources on March 16, 1992. A graduation ceremony for these trainees was held in Madras on May 22 during the second Project Steering Committee meeting.

As noted by the Tenth Session of the Committee, the Secretariat received a letter on April 16, 1991 from the implementing agency, indicating that the completion of all aspects of the Project would be difficult due to a significant financial shortfall resulting from a large devaluation of the Indian currency following a partial deregulation of the Indian financial system. It was suggested that additional funds in the order of some 20% of the original approved budget might be needed to successfully complete all approved activities. A detailed breakup of both current expenditures and projected financial shortfalls under the budget headings in the approved project document was presented to the Tenth Session of the Committee and, on the recommendation of the Committee, the Twelfth Session of the Council approved an increased of US \$87,007 to the approved budget. Following the Session, the Government of Australia pledged an amount of A\$ 40,000 (US\$ 30,561.45) to support this extra budgetary approval.

The Second Project Steering Committee meeting was held in Madras from May 21-22 1992, to review progress with the implementation of the project. The Steering Committee recommended that the project completion date be extended to 30 June 1993 to allow completion of all aspects of the project. The Steering Committee also saw particular merit in building on the experience gained with the first international train-the-trainers course by conducting a second course in 1993. This would allow both the development of a larger core of trained trainers in member countries. It would also allow the revision and synthesis of the training materials for publication as a training manual in the three ITTO working languages. To this end, the Implementing Agency prepared a proposal for an extension of project activities until June 30, 1993, requesting an additional budgetary allocation of US\$ 200,000. This request was approved by the Thirteenth Session of the Council in Yokohama. However, continued implementation is contingent upon receiving financial support, which had not been pledged as of the end of 1992.

- (36) PD 162/91 Rev.1 (F) Intensification of Growth and Yield Studies in
Previously Logged Forests

Budget and Funding Sources:

Total Budget:	\$ 1,723,000
Government of the Independent State of Papua New Guinea:	\$ 95,000
Government of Japan:	\$ 1,328,000
Government of Switzerland:	\$ 200,000
Government of the United States:	\$ 100,000

Implementing Agency:

Forest Research Institute, Lae, PNG

Starting Date and Duration:

1 October, 1992
Five years.

The project was approved by the Tenth Session of the Council and \$1,628,000 was allocated for its implementation under the condition that no funds be released until a detailed workplan was submitted to the Secretariat. A draft Project Agreement was sent to the Government of the Independent State of Papua New Guinea on 1 October, 1991. Agreement was reached on the text of this document and it was signed on 27 July, 1992. The first disbursement of funds (\$363,600) was made on 4 September, 1992. Following consultations with the Secretariat, Mr. Klaas Romijn was appointed as the International Consultant in Forest Inventory on October 1, 1992. The first Project Steering Committee meeting is expected early in 1993.

- (37) PD 164/91 Rev.1 (F) Native Species Reforestation as an Alternative for
Conserving the Panama Canal Watershed.

Budget and Funding Sources:

Total Budget:	\$ 140,000
Government of the United States:	\$ 140,000

Implementing Agency:

Asociación Nacional para la Conservación de la Naturaleza - ANCON

Starting Date and Duration:

30 October, 1991
One year

The Project was approved by the Council at its Tenth Session and \$140,000 was allocated for its immediate implementation with the release of funds being conditional on the receipt of a detailed workplan that met the requirements of the Secretariat. A detailed workplan was received by the Secretariat and a Project Agreement was signed on 30 October, 1991. The Project became operational with the first release of funds (\$110,000) on 15 November, 1991. An interim report was received by the Secretariat on 23 March 1992. It indicated that implementation was progressing smoothly in accord with the detailed workplan.

The first full six month report was received by the Secretariat on 10 August 1992. This report outlined a wide range of training and extension activities and reported good progress with the reforestation and associated support programmes. Some 110,000 seedlings have been produced in project nurseries in the first six months. Of these some 64,000 have been distributed to participating families for agro-forestry and other reforestation plantings. An additional 46,000 have been distributed to school plantings in the project area. In April, 1992, some 3,200 green iguana hatchlings were produced from a collection of some 4,000 eggs. As of the end of June 1992, the mortality levels had been less than 2% and the first distribution of hatchlings was made to participating families.

The final report was presented to the Secretariat in December 1992. This report summarizes the outputs and accomplishments of the project. Most notable is the development and transfer of appropriate technologies for reforestation and agroforestry practices to local communities in the Panama Canal Watershed. A total of 96,268 seedlings of native and exotic species were planted on 86.6 ha by 61 community groups over the one year period. A full monitoring evaluation visit for this one year project is planned for February 1993.

(38) PD 170/91 Rev.1 (F) Modernization and Development of Egyptian Forest Nurseries

Budget and Funding Sources:

Total Budget:	\$ 573,855
Government of the Arab Republic of Egypt:	\$ 275,855 *
Government of Japan:	\$ 298,000

* total budget includes national in-kind contribution of E£918,000 (US\$ 1.00 = E£3.33)

Implementing Agency:

Ministry of Agriculture and Land Reclamation, Arab Republic of Egypt

Starting Date and Duration:

1 November, 1992
One year

This Project was approved by the Eleventh Session of the Council and \$298,000 was made available for its implementation subject to the Secretariat receiving a detailed workplan for the project's implementation. The workplan for the project was received by the Secretariat in early January 1992. The Project Agreement was signed on 14 May 1992. Following receipt of the signed Agreement and banking instruction form the Implementing Agency, the first disbursement of funds (\$290,000) was made on 13 October, 1992. Project implementation has been initiated and a project review mission is planned for early 1993.

(39) PD 184/91 Rev.1 (F) Multipurpose Tree Planting in Egypt

Budget and Funding Sources:

Total Budget:	\$ 614,819
Government of the Arab Republic of Egypt:	\$ 119,819 *
Government of Japan:	\$ 495,000

* total budget includes national in-kind contribution of E£399,000 (\$1 = E£3.33)

Implementing Agency:

Ministry of Agriculture and Land Reclamation, Arab Republic of Egypt

Starting Date and Duration:

1 November, 1992
Two years

This Project was approved by the Eleventh Session of the Council and \$495,000 was made available for its implementation subject to the Secretariat receiving a detailed workplan for the Project's implementation. The workplan for the project was received by the Secretariat in early January 1992. The Project Agreement was signed on 14 May 1992. Following receipt of the signed Agreement and banking

/...

instruction from the Implementing Agency, the first disbursement of funds (\$357,500) was made on 13 October, 1992. Project activities have been initiated and the first Steering Committee meeting is scheduled for February 1993.

(40) PD 188/91 Rev.1 (F) Reforestation of Rioja

Budget and Funding Sources:

Total Budget:	\$ 250,000
Government of Peru:	\$ 35,000
Ito Yokado Corporation:	\$ 215,000

Implementing Agency:

National Forestry Action Programme (NFAP), Municipality of the Province of Rioja, Rural Development Centre in Rioja and the Ministry of Agriculture of the Government of Peru.

Starting Date and Duration:

1 September 1992.
Two years

This Project was approved by the Eleventh Session of the Council and \$215,000 was made available for its implementation subject to the Secretariat receiving a detailed workplan for the Project's implementation. The Project Agreement was sent to the implementing agency on 29 January, 1992 and signed on 20 April, 1992. The detailed workplan was received by the Secretariat on 2 April 1992. Following receipt of confirmation that the programme was about to begin on 15 July 1992, the first disbursement of funds was made on 19 August, 1992.

The project initiated activities in September with personnel being assigned to the project, and the procurement of materials and equipment undertaken. The first quarterly progress report for the period of September to November 1992 was submitted to the Secretariat in December.

(41) PD 189/91 Rev.1 (M,F,I) Publication of an Andean Forestry Journal

Budget and Funding Sources:

Total Budget:	\$ 162,000
Participating Countries:	\$ 44,000
Government of Japan:	\$ 118,000

Implementing Agency:

Fundacion Andina Bosques y Desarrollo.

Starting Date and Duration:

1 December 1992
Eighteen months

This Project was approved by the Eleventh Session of the Council and \$118,000 was made available for its implementation. A project Agreement was sent to the Implementing Agency on 29 January 1992. The signed Agreement was received by the Secretariat on 12 October 1992 and the first disbursement of funds was made on November 17, 1992.

3.2.4 *Projects under Preparation for Implementation*

3.2.4.1 *Projects with Complete Financial Allocations*

Twelve Projects in the field of Reforestation and Forest Management, which have been approved by the Council and for which financing is available, had still not become operational at the end of 1992. The total finance commitment for these projects is \$ 10,490,668.

- (1) PD 104/90 Rev. 2 (F) Studies of the Management Standards of Hill Dipterocarp Forest in Sarawak from a Watershed Management Point of View

Budget and Funding Sources:

Total Budget:	\$ 412,000
Government of Japan:	\$ 412,900

Implementing Agency:

Forest Department, State Government of Sarawak.

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Ninth Session and funds were made available for immediate implementation. An agreement for the implementation of the Project was drafted and submitted to the original implementing agency, the Forestry Agency of Japan, for consideration. However, following representation from the Japanese delegates to the Eighth Committee Session in Quito, the Forests Department of the State of Sarawak became the Implementing Agency, and a new Project Agreement needed to be negotiated. A draft agreement was forwarded to the Government of Malaysia on 22 October, 1992, and is expected to be signed in January 1993.

- (2) PD 120/91 Rev.4 (F,I) Development of Operational Model for Sustainable Management of Natural Tropical Forests.

Budget and Funding Sources:

Total Budget:	\$ 673,361
Government of Japan:	\$ 464,161
Government of Malaysia:	\$ 209,200
State of Sabah:	

Implementing Agency:

Department of Forestry, State of Sabah, Malaysia

Starting Date and Duration:

To be determined
2 years.

The project was approved by the Twelfth Session of the Council and funds were allocated for its immediate implementation subject to the condition that no substantial release of funds take place until a detailed workplan was received by the Secretariat. Amongst other things, the Committee specified that this workplan should include:

1. A Consultative Committee to act as an official communication channel between the project and all interested parties including any indigenous people living in the area or affected by the project's activities.
2. A Steering Committee to guide the technical conduct of the project.
3. A time schedule and a detailed budget for all activities within the approved project budget.
4. An indication of how environmental and social impact assessment will be taken into account during the implementation of the project.

A proposal which addressed some of the above requirements was prepared by the Implementing Agency and received by the Secretariat on 1 September, 1992. However, to date, it has not been possible to give this material a proper appraisal due to the heavy work demands on the staff of the Division, though it is hoped that this will be completed soon after the Thirteenth session of the Council. Meanwhile, a draft agreement covering the implementation of the project was forwarded to the Government of Malaysia on 22 October, 1992.

(3) PD 130/91 Rev.2 Plantation Establishment Methods (First Phase)

Budget and Funding Sources:

Total Budget:	\$ 780,000
Government of Japan:	\$ 780,000

Implementing Agency:

To be determined

Starting date and Duration:

To be determined
Three years

The Project was presented by the Government of Japan and was approved by the Council at its Tenth Session with an addendum allowing for the synthesis of existing research information at the beginning of the Project. \$790,000 was allocated for its immediate implementation and negotiations have begun with possible implementing agencies. It is hoped that the project can become operational early in 1993.

(4) PD 172/91 Rev.2 (F) The Recovery of Natural Systems of the Hillside of Caqueta (Phase I)

Budget and Funding Sources:

Total Budget:	\$ 745,009
Government of Japan:	\$ 376,339
Government of the United States:	\$ 150,000
INDERENA (in kind):	\$ 218,670

Implementing Agency:

National Institute of Renewable Natural Resources and Environment - INDERENA

Starting Date and Duration:

To be determined
Three years

The Project was approved by the Council at its Eleventh Session in December, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured but again donor interest in a phased implementation of the Project was expressed at the Twelfth Session of the Council.

The Secretariat received a proposal for the phased implementation of the project on 9 November, 1992. The first phase covers 18 months and involves the diagnosis and organization of existing land management activities that reflect the priorities of the communities in the project area. These activities include actions to conserve and restore natural forest areas; encouragement of sustainable farming practices; background research to aid planning and restore traditional practices; community participation, training and extension work; and the strengthening of municipalities and other local institutions to develop the capacity for sustainability after the period of ITTO support.

The second phase will also cover 18 months and will build on the experiences gained during the first phase to integrate work in the above areas with the overall Caquetas Development Plan to promote conservation, restoration and rehabilitation for production. The budgetary breakdown for the second phase is noted below:

PHASE II (18 months)

Total Budget:	\$ 861,184
ITTO Contribution:	\$ 629,974
INDERENA (in kind):	\$ 231,210

During the Thirteenth Council Session in Yokohama, the Government of the United States pledged to support the first phase of this project. Subsequently, the draft project agreement was prepared by the Secretariat and submitted to the Government of Colombia in December 1992, and the project should become operational in the near future.

/...

- (5) PD 176/91 Rev.1 (F) Sustained Management for Production, Conservation, Demonstration, Diffusion and promotion Activities In Moist Tropical Forests in Ecuador's Northwest

Budget and Funding Sources:

Total Budget:	\$ 1,007,600
Government of Japan:	to be advised*
Government of the United States:	\$ 100,000
Government of Great Britain:	£ 50,000
Juan Manuel Durini Forestry Foundation:	\$ 292,930

* The Government of Japan has pledged to finance the remainder of this project.

Implementing Agency:

Juan Manuel Durini Forestry Foundation, NGO's, Industrial Enterprises and INEFAN.

Starting Date and Duration:

1 November, 1992
Three years

This Project was approved by the Eleventh Session of the Council and funds were made available for its immediate implementation subject to the Secretariat receiving a detailed workplan for the project's implementation. A Project Agreement was sent to the Implementing Agency on 29 January 1992. Agreement has been reached on the text of this agreement and it was signed by all parties on 7 October, 1992. The detailed workplan prepared by the implementing agency was received by the Secretariat on 11 November 1992 and project implementation is expected to begin in early 1993.

- (6) PD 186/92 Rev.2 (F) Tree Flora of Sabah and Sarawak

Budget and Funding Sources:

Total Budget:	\$ 1,224,800
Government of Japan:	\$ 712,800
Government of the United States of America:	\$ 100,000
ODA:	\$ 440,200
FRIM:	\$ 171,800

Implementing Agency:

Forest Research Institute of Malaysia (FRIM), Sabah Forest Department and Sarawak Forest Department.

Starting date and Duration:

To be determined
Three years

The project was approved by the Twelfth Session of the Council and funds made available for its immediate implementation. A draft project agreement was forwarded to the Government of Malaysia on 22 October, 1992.

(7) PD 202/91 Rev.1 (F) Sustainable Forest Management Through Collaborative Efforts

Budget and Funding Sources:

Total Budget:	\$ 1,324,194
Government of Thailand:	\$ 334,194
Government of the Netherlands:	\$ 990,000 *

* the contribution of the Government of the Netherlands is subject to it being satisfied with some aspects of the detailed workplan

Implementing Agency:

The Society for the Conservation of National Treasures and Environment (SCONTE) and the Royal Forest Department of Thailand.

Starting Date and Duration:

To be determined
Three years

This Project was approved by the Eleventh Session of the Council and \$990,000 was made available for its implementation subject to the Secretariat receiving a detailed workplan for the project's implementation. At the Eleventh Session of the Council, the Government of the Netherlands indicated that it was interested in supporting the project but felt that it would need to send a mission to develop a detailed workplan for the project before it could confirm its support. As noted by the Tenth Session of the Committee, the Government of the Netherlands did mount such a mission and it was conducted during the period 10-23 June, 1992.

The workplan formulated by the mission was forwarded to the Ministry of Foreign Affairs in the Netherlands on 12 August, 1992 with the comments of the Secretariat. However, by the end of the year, the Secretariat had not received any response indicating whether or not the workplan met its requirements for financial support. The workplan envisages activities starting on January 1 1993 and confirmation of funding is required to enable Project Agreements to be negotiated for prompt implementation.

(8) PD 204/91 Rev.1 (F) Identification and Study of a Plantation Project for the Production of Timber (2500) in the Reserved Forest of Halo-Baloe (Plateau Region)

Budget and Funding Sources:

Total Budget:	\$ 415,554
Government of Togo:	\$ 59,077
Government of Japan:	\$ 356,477

Implementing Agency:

ODEF on behalf of the Government of Togo

/...

Starting Date and Duration:

To be determined
One year

The Project was approved by the Council at its Eleventh Session in December, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing was pledged at the Twelfth Session of the Council and a draft project agreement was sent to the Government of Togo on 14 July, 1992. However, no response to the draft agreement had been received by the Secretariat as of the end of 1992.

- (9) PD 9/92 Rev.1 (F) Forest Management in Islas de la Bahia, Honduras, Central America

Budget and Funding Sources:

Total Budget:	\$ 755,082
Government of Japan:	\$ 425,000
Government of the United States:	\$ 222,619
Government of Denmark:	\$ 75,000
APRODIB:	\$ 32,463

Implementing Agency:

Asociación Pro-Desarrollo de Islas de la Bahía (APRODIB)

Starting Date and Duration:

To be determined
Three years

This project was approved by the Thirteenth Session of the Council in Yokohama and \$722,619 was made available for its implementation. Approval and financing are subject to the condition that field activities undertaken in relation to item 1.1.5 (e.g. reforestation) in the Project Document only be initiated on common forest and private properties with a total area of less than 20 ha in size. The draft project agreement was prepared by the Secretariat in December 1992, and it is anticipated that implementation will be initiated in early 1993.

- (10) PD 10/92 Rev.1 (F) Books and a Data-Base on the Major and Minor Commercial Timbers of South-East Asia Volume 5(1) and Volume 5(2) within the Prosea Programme.

Budget and Funding Sources:

Total Budget:	\$ 1,664,550
Government of Japan:	\$ 1,068,041
The European Community:	\$ 507,368
Tropenbos Foundation:	\$ 150,000

Implementing Agency:

The Prosea Foundation

Starting Date and Duration:

To be determined
Two years

The project was approved by the Twelfth Session of the Council and \$1,068,041 was allocated for its immediate implementation. A draft agreement was forwarded to the Implementing Agency and the Government of Indonesia on 10 July 1992. Agreement of the text of this document has been reached and is expected to be signed in January 1993. The project should become operational early 1993.

- (11) PD 11/92 Rev.1 (F) Development and Dissemination of Re-afforestation Techniques of Mangrove Forests.

Budget and Funding Sources:

Total Budget:	\$ 815,850
Government of Japan:	\$ 815,850

Implementing Agency:

The Japan International Association for Mangroves (JIAM) in Cooperation with the National Mangrove Committee of Thailand.

Starting Date and Duration:

To be determined
42 Months

The project was approved by the Twelfth Session of the Council and \$815,850 was allocated for its immediate implementation, subject to the Secretariat receiving a detailed workplan that satisfactorily outlines an appropriate institutional structure for the conduct of the project in Thailand and other Asia-Pacific countries. A draft agreement is currently being prepared and will be forwarded to the Implementing Agency and the Government of Japan soon after the Thirteenth Council Session.

- (12) PD 39/92 Rev.1 (F) Dissemination and Training on ITTO Guidelines and Criteria

Budget and Funding Sources:

Total Budget:	\$ 624,750
Government of the United States:	\$ 224,750
Government of Japan:	\$ 200,000
Government of Switzerland:	\$ 200,000

Implementing Agency:

Fundação da Universidade Federal do Parana (FUNPAR) in coordination with the Brazilian Institute for Environment and Renewable Natural Resources (IBAMA)

Starting Date and Duration:

To be determined
18 months

This Project was approved by the Thirteenth Session of the Council and \$624,000 was made available for its implementation. The draft final agreement has been prepared by the Secretariat and submitted to the Government of Brazil.

3.2.4.2 *Projects Awaiting Financing*

The Council approved 17 Projects for which full financing was still not available at the end of 1992.

- (1) PD 139/91 (F) Management Plan for the Sustained Production of Orey Forests in the Bocas Del Toro Province

Budget and Funding Sources:

Total Budget:	\$ 453,300
Government of Japan:	\$ 100,000
Government of Panama:	\$ 111,000
To be determined:	\$ 242,300

Implementing Agency:

The Institute for Renewable Natural Resources - INRENARE.

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Tenth Session in June, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. At the Thirteenth Session of the Council, the Government of Japan expressed a willingness to support the project with an amount of \$100,000. However, unless full funding is secured before its Twelfth Session, the Project will fall under the sunset provision of Decision 2(X).

- (2) PD 140/91 (F) Management Plan for the Cativo Forests of Darien

Budget and Funding Sources:

Total Budget:	\$ 852,460
Government of Panama:	\$ 175,000
To be determined:	\$ 677,460

Implementing Agency:

The Institute for Renewable Natural Resources - INRENARE.

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Tenth Session in June, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured. Unless funding is secured before its Twelfth Session, the Project will fall under the sunset provision of Decision 2(X), Annex 2, Paragraph 2.

(3) PD 147/91 (F) "El Telegrafo" Reforestation Project

Budget and Funding Sources:

Total Budget:	\$ 636,120
Government of Ecuador:	\$ 254,120
To be determined:	\$ 382,000

Implementing Agency:

The Subsecretariat for Forestry and Renewable Natural Resources (now reorganized into a new institute INEFAN) in the Ministry of Agriculture; The Training Ecology and Nutrition Foundation; and the Ecuadorian Army.

Starting Date and Duration:

To be determined
Three years

The Project was approved by the Council at its Tenth Session in June, 1991 for sponsorship to other organizations following a presentation of a revision to the Secretariat. No revision has been received to date and unless funding is secured before its Twelfth Session, the Project will fall under the sunset provision of Decision 2(X), Annex 2, Paragraph 2.

(4) PD 159/91 Rev.2 (F) Studies for the Regulation and Sustained Management of the Tropical Rainforests of the Provinces of Napo and Sucumbios

Budget and Funding Sources:

Total Budget:	\$ 1,460,900
Government of Ecuador:	\$ 299,000
To be determined:	\$ 1,161,900

Implementing Agency:

The Subsecretariat for Forestry and Renewable Natural Resources (now reorganized into a new institute INEFAN) in the Ministry of Agriculture.

Starting Date and Duration:

To be determined
Two and one half years

The Project was approved by the Council at its Tenth Session in June, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured. Furthermore, the permanent Committee recognized the potential for social conflict in the implementation of this project, and in its recommendation to the Council, it made any release of funds conditional of the Secretariat receiving a detailed workplan that included amongst other things:

- (a) A Consultative Committee to act as an official communication channel between the Project and all interested parties including any indigenous people living in the area or affected by the Project's activities.
- (b) A Steering Committee to guide the technical conduct of the project.
- (c) A time schedule and detailed budget for all activities within the approved Project document.
- (d) An indication of how environmental and social impact assessment will be taken into account during the implementation of the Project.

During the discussions regarding the above conditions, the delegation from Ecuador issued a verbal invitation to ITTO to constitute an independent international mission to review project planning and participatory processes so as to advise the Council, the Committee and potential donors on the status of these activities. At its Ninth Session, the Committee authorized the expenditure of any remaining funds from the Pre-project on the "Management of Natural Tropical Moist Forest to obtain a Sustainable Production of Wood and Other Forest products and maintain the Ecological Balance in Ecuador" to support such a review mission. However, there has been no further communication from officials in Ecuador regarding the conduct of such a mission and unless funding is secured before its Twelfth Session, the Project will fall under the sunset provision of Decision 2(X).

- (5) PD 171/91 Rev.1 (F) Conservation and Management for Multiple Use and Development of Colombian Mangrove Swamps

Budget and Funding Sources:

Total Budget:	\$ 2,357,900
Government of Colombia:	\$ 232,200
To be determined:	\$ 2,125,700

Implementing Agency:

National Institute of Renewable Natural Resources and Environment - INDERENA

Starting Date and Duration:

To be determined
Three years

The Project was approved by the Council at its Eleventh Session in December, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing

has still not been secured but during the Twelfth Session of the Council potential donors indicated interest in support for the project if its implementation could be phased. Following the Twelfth Session, the Implementing Agency submitted a revision of the proposal which broke the implementation of the project into two phases.

The first phase covers one year and is focused on diagnosis and strategic planning. The second phase covers a two year period and is focused on the execution of the a plan of immediate action and the formulation of a long term investment plan for the sustainable management of Colombia's mangrove resources. The proposed budgetary allocations for these two phases are as follows:

PHASE I (one year)

Total Budget:	\$ 998,788
ITTO Contribution:	\$ 768,788
INDERENA (in kind):	\$ 230,044

PHASE II (two years)

Total Budget:	\$ 1,347,611
ITTO Contribution:	\$ 921,442
INDERENA (in kind):	\$ 426,169

The total requirement for ITTO support in the above proposal is now \$1,690,230. However, the above budget allocations have not made allowance for either ITTO monitoring and evaluation or the now standard 5% ITTO programme support charge. If an allowance is made for this charge and of \$12,000 per year is allocated for monitoring and evaluation, Total ITTO support requirements would be \$1,812,541 with \$819,827 and \$992,714 in Phase I and Phase II respectively.

- (6) PD 174/91 Rev.2 (F) Rehabilitation of the Forest in the South Central Region of Côte d'Ivoire around the Tene Forest.

Budget and Funding Sources:

Total Budget:	\$ 2,811,000
ITTO Contribution:	\$ 631,500
Government of Côte d'Ivoire:	\$ 2,179,500

Implementing Agency:

Societe de Developpement des Plantations Forestieres - SODEFOR

Starting Date and Duration:

To be determined
Three years

The Project was approved by the Council at its Twelfth Session in May 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured.

- (7) PD 185/91 Rev.1 (F) Sustainable Forest Management and Development in Peninsular Malaysia

Budget and Funding Sources:

Total Budget:	\$ 5,533,711
Government of Malaysia:	\$ 2,065,088
To be determined:	\$ 3,468,623

Implementing Agency:

Forestry Department Headquarters, Peninsular Malaysia.

Starting Date and Duration:

To be determined
Ten years

The Project was approved by the Council at its Eleventh Session in December, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured.

- (8) PD 194/91 Rev.1 (F) Recuperation and Demonstration Management of Secondary Forests in the Peruvian Amazon

Budget and Funding Sources:

Total Budget Phase I:	\$ 716,400
Government of Peru:	\$ 227,400
To be determined:	\$ 489,000
Total Budget Phase II:	\$ 1,541,600
Government of Peru:	\$ 602,200
To be determined:	\$ 939,400

Implementing Agency:

National Agricultural and Agro-Industrial Research Institute (INIAA) and the National Forestry Chamber (CNF)

Starting Date and Duration:

To be determined
Phase I - one year
Phase II - three years

The Project was approved by the Council at its Eleventh Session in December, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured.

- (9) PD 203/91 Rev.1 (F) Study Relating to Forest Management in the Fazao-Sud Region

Budget and Funding Sources:

Total Budget:	\$ 1,086,053
Government of Togo:	\$ 104,310
To be determined:	\$ 981,743

Implementing Agency:

The Directorate for the Protection and Control of Wildlife Utilization.

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Eleventh Session in December, 1991. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured.

- (10) PD 8/92 Rev.2 (F) Study on the Growth of Native Species of Commercial Interest in Honduras

Budget and Funding Sources:

Total Budget:	\$ 947,467
Government of Honduras:	\$ 25,000
To be determined:	\$ 922,467

Implementing Agency:

National School of Forestry Science (ESNACIFOR) through the National Center for Applied Forestry Research (CENIFA)

Starting Date and Duration:

To be determined
Five years (first phase)

The Project was approved by the Council at its Thirteenth Session in November, 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (11) PD 14/92 Rev.1 (F) A Demonstration Programme of Sustainable Utilization of Tropical Forests by Means of Differentiated Management in Hainan Island, China (Phase I)

Budget and Funding Sources:

Total Budget (Phase I):	\$ 1,500,000
Government of Japan:	\$ 500,000
To be determined:	\$ 1,000,000

Implementing Agency:

The Department of Forestry of Hainan Province China, China and the Chinese Academy of Forestry

Starting Date and Duration:

To be determined
Six years

The Project was approved by the Council at its Twelfth Session in May, 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured.

The Secretariat received a proposal for the phased implementation of the project in early October, 1992. Each phase essentially covers a two year period with the implementing agency proposing to begin Phase I in February 1993.

Details of the phasing proposals are provided (in English) in Section 3 of document PCF (XI)/8. The first stage is focused on planning, training and the initial establishment of some of the demonstration areas. The second phase involves extension of the demonstration activities and monitoring the results of the various management and research activities. The third phase begins the process of extension these results to more general application elsewhere on the Island. Budgetary requirements for the three phases are \$1.5 million, \$1.0 million and \$0.5 million respectively.

During the Thirteenth Session of the Council, the Government of Japan expressed its willingness to contribute an amount of \$500,000. The Government of the United Kingdom also expressed an interest, but stated it would have to confirm its position and availability of funding at a later date.

(12) PD 15/92 Rev.3 (F) Establishment of a Germ Plasm Bank and Pilot Reforestation Units

Budget and Funding Sources:

Total Budget:	\$ 412,020
APARAI:	\$ 17,500
To be determined:	\$ 394,520

Implementing Agency:

Environmental Protection and Indigenous Land Reclamation Association - APARAI

Starting Date and Duration:

To be determined
Three years

The Project was approved by the Council at its Thirteenth Session in November, 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (13) PD 16/92 Rev.2 (F) Timber Logging in Rondonia - Phase I: Socio-Economic and Environmental Diagnosis

Budget and Funding Sources:

Total Budget:	\$ 381,600
Consortium:	\$ 28,800
To be determined:	\$ 352,800

Implementing Agency:

A Consortium formed of three groups: INDIA (Research Institute for the Protection of Amazon Identity)/ECOPORE (Ecological Action in the Guapore Valley)/PACA (Cacoalense Environmental Protection)

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Thirteenth Session in November, 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (14) PD 18/92 Rev.1 (F) Research-Development Associated with Management Operations in the Closed Forest of Côte d'Ivoire: Determination of a Forest Typology Related to Silvicultural Systems

Budget and Funding Sources:

Total Budget:	\$ 1,071,103.70
Government of Côte d'Ivoire:	\$ 472,545.70
Government of Italy:	\$ 350,000.00
Government of Japan:	\$ 100,000.00
To be determined:	\$ 148,558.00

Implementing Agency:

SODEFOR/CTPT

Starting Date and Duration:

To be determined
Three years (Phase I)

The Project was approved by the Council at its Twelfth Session in May, 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full financing has still not been secured. However, the Government of Italy has offered support of Lira 500,000. On the

basis of exchange rates at the time of last correspondence, this amount is equal to approximately US\$ 350,000. At the Thirteenth Session of the Council, Japan also offered support of US\$ 100,000. This implies that additional donor support of some \$148,588 is required to allow full financing of the project.

- (15) PD 26/92 Rev.1 (F,D) Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon

Budget and Funding Sources:

Total Budget:	\$ 3,625,330
Netherlands/Tropenbos:	\$ 1,473,990
Government of Japan:	\$ 450,000
Government of Denmark:	\$ 100,000
Government of Cameroon:	\$ 334,530
To be determined:	\$ 1,266,810

Implementing Agency:

Government of Cameroon's Institute of Agricultural Research and Wageningen Agricultural University, the Netherlands

Starting Date and Duration:

To be determined
Five years

The proposed project is part of the Tropenbos-Cameroon Programme with a general objective of contributing to the development of management systems for the evergreen tropical moist forest in Cameroon, aimed at sustainable timber production and improved living conditions for the local population. The project is self-contained and can be executed independently from other components of the Tropenbos-Cameroon Programme.

With the understanding that Cameroon/Tropinbos further elaborate the economic, social and ecological studies conducted within the framework of this project, the Thirteenth Session of the Council approved this project and authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The Government of Japan pledged \$450,000 and the Government of Denmark stated its willingness to contribute \$100,000 to support project activities. In addition, the Government of the United Kingdom expressed an interest in providing further support, and indicated that it would confirm its support at a later date. Nonetheless, including the potential contribution from the U.K., the project still requires a commitment of \$1,266,810 in order to have full financing for the project. The project is unable to begin activities under its current formulation until complete funding has been committed.

- (16) PD 32/92 Rev.1 (F) Agroforestry Systems for the Communities of Nova California and Extrema, Rondonia, Brazil

Budget and Funding Sources:

Total Budget:	\$ 1,587,410
FUNATURA/Communities:	\$ 520,950
To be determined:	\$ 1,066,460

Implementing Agency:

Pro-Nature Foundation (FUNATURA)

Starting Date and Duration:

To be determined
Five years

To address the panel's concerns and clarify issues raised about the economic viability of project activities, FUNATURA presented an amendment to the project found in PCF (XI)/6 Rev.1. After substantial debate on the direct relevance of the proposal to ITTO core objectives and priorities, and the sustainability of project outcomes, the Permanent Committee on Reforestation and Forest Management commended and the Council approved the project. Although Norway expressed an interest in supporting the project if other donors were also willing to contribute, financing was not immediately allocated, but the Thirteenth Session of the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (17) PD 37/92 Rev.1 (F) Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest

Budget and Funding Sources:

Total Budget:	\$ 1,802,492
Government of Gabon:	\$ 537,200
To be determined:	\$ 1,265,292

Implementing Agency:

General Directorate of Water and Forests

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Thirteenth Session in November 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (18) PD 42/92 Rev.1 (F) Reforestation and Sustainable Management and Utilization in the Natural Cloud Forests of Jaen-San Ignacio

Budget and Funding Sources:

Total Budget:	\$ 1,585,250
Government of Peru:	\$ 408,200
To be determined:	\$ 1,177,050

Implementing Agency:

National Forest Action Program (NFAP), Ministry of Agriculture

Starting Date and Duration:

To be determined
Four years

The proposal specifies a one year planning phase (Phase I) and a three year implementational period (Phase II), however, the submitting government requested both phases to be funded together. The Thirteenth Session of the Council approved this two phased project and authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (19) PD 43/92 Rev.1 (F) Strengthening of the Amazon Forest Development Center for the Sustainable Management of Tropical Forests

Budget and Funding Sources:

Total Budget:	\$ 889,520
Government of Peru:	\$ 370,400
To be determined:	\$ 519,120

Implementing Agency:

Amazon Forest Development Center

Starting Date and Duration:

To be determined
Two years

The Project was approved by the Council at its Thirteenth Session in November 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (20) PD 45/92 Rev.1 (F) Agroforestry Systems for the Communities of Medicilandia, Para, Brazil

Budget and Funding Sources:

Total Budget:	\$ 2,217,527
FUNATURA/Communities:	\$ 1,021,750
To be determined:	\$ 1,195,777

Implementing Agency:

Pro-Nature Foundation (FUNATURA)

Starting Date and Duration:

To be determined
Five years

To address the panel's concerns and clarify issues raised about the economic viability of project activities, FUNATURA presented an amendment to the project found in PCF (XI)/7 Rev.1. After substantial debate on the direct relevance of the proposal to ITTO core objectives and priorities, and the sustainability of project outcomes, the Permanent Committee on Reforestation and Forest Management approved the project. Financing was not immediately allocated, but the Thirteenth Session of the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

- (21) PD 47/92 Rev.1 (F) Project on Sustainable Forest Management, Production and Regulation in an Area of the Colombian Andes

Budget and Funding Sources:

Total Budget:	\$ 1,259,875
Government of Colombia:	\$ 517,000
To be determined:	\$ 742,875

Implementing Agency:

Instituto Mayor Campesino

Starting Date and Duration:

To be determined
Three Years

The Project was approved by the Council at its Thirteenth Session in November 1992. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account.

3.3 Non-Project Activities

3.3.1 *Demonstration Models for Sustainable Production of Timber and Non-Timber Products and Conservation*

Budget and Funding Sources:

To be determined.

The Permanent Committee on Reforestation and Forest Management included in its Programme of Work an activity which aims to "Develop Demonstration Models of Management for the Sustainable Production of Timber and Non-timber Products and Conservation".

The objective is to establish a network of demonstration areas which can be used by Member Countries in the transfer of knowledge, for promoting sustainable forest management and for inspiring the development of new ideas and systems in tropical forest management. ITTO's forest management projects should, as far as possible, be designed so that they can be included in the network. Other areas where successful management systems are applied should be identified and incorporated.

The Executive Director wrote to all Member Countries on 7 March 1990 and requested them to identify areas of successful forest management on which demonstration sites can be established and to send information on these areas to the Secretariat.

By the end of 1991, only four countries had responded - China, Australia, Ghana and Papua New Guinea. In all of these cases, further information has been required about the areas nominated as possible demonstration models. At its Ninth Session in December 1991, the Committee recommended that the Executive Director intensify efforts to promote this activity using as appropriate the format for the management unit level presented in the Hague Panel report [document ITTC (XI)/6] and accepted by the Council.

As noted in the Report to the Tenth Session of the Committee in Yaoundé, progress was slow in this area, and as a result, it was anticipated that Decision 6 (X) and Decision 3 (XII) would accelerate progress in this important activity.

During its Eleventh Session, the Permanent Committee on Reforestation and Forest Management noted a lack of progress in this key activity. It recommended the Thirteenth Session of the Council to urge the Executive Director to give high priority for developing a standardized nomination form to facilitate the establishment of a register of demonstration areas. This form should be prepared before the Fourteenth Session of the Council and should be based on the various ITTO Guidelines on the Sustainable Management of Tropical Forests and the Criteria for Sustainable Management adopted by the Council in Decision 3(XII). The Committee also recommended that the Council request the Executive Director to take immediate action and write to all member countries encouraging them to submit nominations for the ITTO network register as soon as the form is developed. High priority should be given to completing standardized nomination forms for the areas previously nominated by the Governments of China, Australia, Ghana and Papua New Guinea.

3.3.2 The Economic Case for Natural Forest Management

Budget and Funding Sources:

Total Budget:	\$ 219,000 (for the Asia/Pacific region)
Government of Australia:	\$ 50,000
Government of Japan:	\$ 169,000

Implementing Agency:

Forest Research Institute of Malaysia - FRIM

The Permanent Committee on Reforestation and Forest Management included in its Programme of Work an activity which aims at assessing the economic values gained from tropical forest management and gave this activity high priority. It was proposed in the Programme that the work should be initiated in the Asia/Pacific region and later on, when some experience had been gained from this pilot effort, extend it to the other tropical regions.

The Committee decided, at its Sixth Session on 16 - 23 May, 1990, to recommend to the Council to approve and finance a programme of research and data collection to establish the economic viability of natural forest management. At its Eighth Session, the Council authorized the Executive Director to finance the implementation of the Activity in the Asia/Pacific region from the Special Account.

An Agreement was concluded between ITTO and the Forest Research Institute of Malaysia (FRIM), on 17 December 1990, for implementing the Activity in the Asia/Pacific region. FRIM has concentrated its activities on developing a data base based around 24 forest resource categories and the use of the DBASE IV software. Data has been taken from various publications, unpublished reports and field observations. Some 382 records have been keyed into the data base covering twenty-four subject areas ranging from building materials to traditional medicines.

By the Tenth Session of the Committee, the data base had been expanded to include the following information:

- a) Macro information on forest resources, types, etc.
- b) The economic contribution of the forestry sector in terms of export of timber; non-wood forest products; etc.
- c) Information for the analysis of sustainable forest management systems as follows:
 - i) Revenue generated from timber sales;
 - ii) Current costs of logging operations including harvesting and transportation costs;
 - iii) The utilization of non-timber forest products and their future economic significance.
 - iv) The economic significance of forest services and environmental impacts including:
 - a) Assessment of the economics of water supply and the cost of maintaining water quality;
 - b) Economic assessment of forest recreation;
 - c) Economic assessment of carbon sequestration.
- v) The economics of land-use alternatives.

In addition, work had begun on both compiling data from various participating countries in the region and on the development of procedures for economic assessment. Furthermore, a joint ITTO/FRIM review of the progress in implementing the activity was undertaken after the Twelfth Session of the Council, and a full report was presented to the Eleventh Session of the Committee in November, 1992. The Committee noted the report of the mid-term review for this study presented as Annex 1 of document PCF (XI)/3 and endorsed the continuation of the study within current budget allocations in the manner suggested by this review.

3.3.3 *Human Resources Development and Training Needs*

The Committee included in its Action Plan in the Field of Reforestation and Forest Management (document PCF(IV)/2 Rev. 1) actions for human resources development and for appropriate education and training. These fields of urgent action were given further emphasis in the Programme of Work for ITTO in the Field of Reforestation and Forest Management (document PCF(V)/3-4 Rev. 2), and the Committee requested the Secretariat to prepare a background paper to be used as a basis for focused deliberations on these action areas by the Committee. This paper, entitled Human Resources and Training Needs (document PCF(VI)/12), was considered by the Sixth Session of the Committee.

The Committee adopted the recommendations made in the Paper and requested the Secretariat to coordinate the implementation of these recommendations with other international agencies, primarily FAO and ILO. The focus for ITTO's activity in the area of human resource development and training over the last two years has been through the conduct of PD 86/90 (F). In this regard, the Committee reviewed the progress of this Project at its Tenth Session through consideration of document PCF(X)/7. It recommended that the proposals for extension of the human resources network during the Period 1993-1995 outlined in the above mentioned Report and the Budget presented in Appendix 2 PCF(XI)/3 be formulated into a Phase 2 Project Proposal and presented for consideration in the next Project Cycle leading to the November 1992 Session of the Council. In this regard, a Working Group has been formed to coordinate the input of representatives in each of the three Permanent Committees to formulate a Phase 2 project for PD 86/90. This Working Group is due to convene in February 1993 to work on a proposal for consideration in the Project Cycle leading up to the Fourteenth Council Session in Kuala Lumpur.

In conclusion, the Permanent Committee on Reforestation and Forest Management noted that the active work in this field is adequately covered under PD 86/90 (F) [International Network for Developing Human Resources for Tropical Forest Management] and its proposed extensions. Therefore, it felt that future considerations of "Human Resources Development and Training Needs" in the field of Reforestation and Forest Management should be considered in the context of these projects. The Committee recommended the Secretariat to drop reference to this activity in all future reports on Activities.

3.3.4 *Working Group on Guidelines for Management of Tropical Forest Plantations*

Budget and Funding Sources:

Total Budget:	\$ 50,000
---------------	-----------

The Permanent Committee decided at its Seventh Session in November 1990 to establish this Working Group and recommended to the Council that \$50,000 be made available to meet the costs of convening the Group. The Council, at its Ninth Session, made available the required amount from the Administrative Account.

The Government of Germany pledged, at the Seventh Session of the Committee, to finance consultancy services for preparing a first draft of the Guidelines and to provide a venue for the meeting of the Group. The Working Group subsequently met at the Federal Research Center for Forestry and Forest Products in Hamburg Germany during the week beginning April 8 1991. The report of the Working Group was then presented to the Committee in document PCF(VIII)/4.

The report was reviewed and adopted by the Committee at its Quito Session. The Executive Director was then requested to publish the document widely and promote its use throughout the international community and to make \$30,000 available for this purpose. However, the publication of the guidelines had

to be deferred as there was insufficient funds. However, as reported to the Tenth Session of Committee, printing had to be further delayed because of uncertainties surrounding the administrative budget for 1992. Noting this problem, the Tenth Session of the Committee urged members to consider making contributions to the Special Account to allow publication of the Guidelines as a matter of urgency. In this regard, the Government of Australia responded with a contribution of A\$10,000 (approx US\$ 7,600).

Final editing of the English version of the document is complete and it is ready for printing though final French and Spanish translations will be delayed until next year. The English edition should be available at the beginning of 1993.

3.3.5 Working Group on Incentives for Tropical Forest Management

Following the various initiatives in Decision 3(X) of the Quito Session of the Council, the Ninth session of the Permanent Committee decided that there was no immediately clear role for the proposed Working Group, and recommended that the Council's approval for the Working group be rescinded until further notice.

Further to Decision 3(X), the Tenth Council Session in Quito endorsed a decision to deal with "Sustainable Tropical Forest Management and Trade in Tropical Timber Products". Decision 3(X) involves the adoption and implementation of a strategy "by which, through international collaboration and national policies and programmes ITTO Members will progress toward achieving sustainable management of tropical forests and trade in tropical timber from sustainable managed resources by the year 2000".

Pursuant to the above objective, the Council directed that a workshop on incentives to promote sustainable development of tropical forests through trade as provided for in PD 82/90 (M) be convened. The Workshop was held in Melbourne, Australia from 17-21 February 1992 at the Graduate School of Management, University of Melbourne. The report for this Workshop was distributed in the Tenth Session of the Permanent Committee on Economic Information and Market Intelligence in Yaoundé in PCM(X)/4.

In conclusion, the responsibilities on the issue of incentives have been passed on to the Permanent Committee on Economic Information and Market Intelligence, and no longer directly pertain to the Permanent Committee on Reforestation and Forest Management.

3.3.6 Technical Workshop to Explore the Feasibility of Forest Options

Budget and Funding Sources:

Total Budget:	\$ 400,000 (of which ITTO: \$100,000)
Government of Japan:	\$ 100,000

This Activity was submitted (as a project proposal) by the Government of Thailand to the Seventh Session of the Committee. The Committee decided to recommend to the Council that the Activity be supported by ITTO provided that other international organizations also pledge substantial support for it. It was suggested that ITTO should be prepared to co-finance the Activity to a maximum of \$100,000.

The Council decided, at its Ninth Session in November 1990, to adopt the recommendation made by the Committee. A draft agreement was sent to the Office of the National Environment Board, Thailand on 28 December 1990, and a preparatory committee meeting was held in Bangkok during the period 14 - 15 January 1991. The Workshop itself was held in Bangkok from 25 - 30 April 1991, and a set of proceedings has been published. At the Tenth Session in Yaoundé the Committee noted that a completion report with financial statements was received by the Secretariat on 16 March 1992, and while a complete analysis of this

/...

report has still to be undertaken, it seemed likely that as much as \$50,000 of the ITTO component is still remaining. The Tenth Session of the Committee then recommended that residual funds from the ITTO Activity sponsoring the Bangkok Technical Workshop to Explore the Feasibility of Forest Options be used for the follow-up workshop proposed under PD 149/91 Rev. 3. This workshop was initially planned to be held in the Philippines in February, 1992 but had to be postponed because of clashes with other events.

During the Thirteenth Session of the Council, the Permanent Committee on Reforestation and Forest Management urged the Secretariat to take steps to facilitate the completion of final reporting on this activity and the transfer of residual funds to the follow-up workshop approved under PD 149/91 Rev.3 as recommended by the Tenth Session of the Committee and approved in Decision 1(X) of the Council. The follow-up workshop in the Philippines has been rescheduled to early 1993.

3.3.7 Working Group on Guidelines for the Conservation of Biodiversity in Tropical Production Forests.

Budget and Funding Sources:

Total Budget:	\$ 50,000
---------------	-----------

The Permanent Committee decided at its Eighth Session in June 1991 to establish this Working Group and recommended to the Council that \$50,000 be made available to cover the costs of convening the Working Group. This action was approved by the Council in Decision 6 (X) of the Council which, amongst other things, authorized the Executive Director to allocate necessary expenses from the Administrative Budget to cover the expenses of representatives of Member Governments participating in the Working Group. Subsequent to this decision, voluntary pledges were also received from the Government of the Netherlands (\$20,000) and the Government of the United Kingdom (\$15,000) to help defray costs of conducting the Working Group. The Governments of Australia and the United States also directly met the costs of the participation of their representatives in the Group.

Invitations to participants from selected members and organizations were issued on August 19, 1991, and the Working Group itself was held in Gruyeres Switzerland from October 2-4, 1991. The report of the Working Group was presented for the information of the Committee in document PCF (IX)/10. Comments received on the draft guidelines produced from the Working Group's deliberations were also produced for the information of the Committee in document PCF (IX)/13.

During its Ninth Session in December 1991, the Committee established an informal working group to examine these reports and this group produced a revised draft [PCF (IX)/7 Rev.3] which was presented in a format that could be physically incorporated into the existing ITTO Guidelines for the Sustainable Management of Natural Tropical Forests. This document was accepted by the Committee as a preliminary consensus on what appropriate guidelines on the conservation of biodiversity in tropical production forests should be. Copies of the revised document [PCF (IX)/7 Rev.3] were distributed on 13 March, 1992 to all members in the official language appropriate to that member.

However, due to the late arrival of the first draft, it was recognized that insufficient time had been available to take full advantage of technical expertise in member countries to review the guidelines. In addition, it was recognized that decisions at the 1992 United Nations Conference on Environment and Development (UNCED) were likely to have implications for the future actions of all International Organizations with regard to the conservation of biodiversity. The revised draft was therefore distributed to member countries for examination and discussions at the Thirteenth Session of the Council in November 1992.

/...

On the basis of this report, the Committee recommended to the Council that the final revision of this document [ITTC(XI)/7 Rev.3] be adopted as the ITTO Guidelines on the Conservation of Biological Diversity in Tropical Production Forests and that the Council should make funds available for the publication and dissemination of these guidelines as an Annex to the existing Guidelines on the Sustainable Management of Natural Tropical Forests.

3.3.8 Protection of Tropical Forests Against Fire

This activity was proposed by the Governments of Japan, Indonesia and the United States of America in document ITTC (XI)/13 Rev.1 and was approved by the Eleventh Session of the Council. The Activity was envisaged as having three separate components viz,

- a) A programme of field activities through which ITTO might provide assistance to the Government of Indonesia to formulate plans to assist in the prevention and suppression of future forest fires.
- b) An ITTO Expert Panel to formulate ITTO Guidelines on both the prevention of unplanned fires in tropical forests and fire fighting strategies.
- c) An initial Consultative Visit to Indonesia to formulate detailed terms of reference for the above panel and proposals for a range of field activities that might be carried out in Indonesia.

The Consultative Visit mentioned above was undertaken by a small team from Indonesia, the ITTO Secretariat, Japan and the United States following receipt of a voluntary contribution from the Government of Japan of \$44,000 for this purpose. Their report is presented for the consideration of the Committee in document PCF(X)/6.

As noted in that report, the ITTO Consultative Visit was then the 11th forest fire review mission from either bi-lateral or multi-lateral sources to visit Indonesia since early October, 1991. Following discussions with Indonesian officials, the Consultative Visit team therefore gave priority to synthesizing these reports and other material to produce a systematic Situation Analysis and related specifications for an Integrated Forest Fire Management System in Indonesia, as well as to the production of general terms of reference for the proposed ITTO Expert Panel.

Within the proposed activity field, the Consultative Visit team simply specified objectives for the particular field together with an outline of the key elements in each of these fields. Due to time constraints, it was not possible to develop full project proposals in these areas. In addition, it was recognized that the Government of Indonesia had planned other national and international workshops on the forest fire situation, and that these workshops might lead to modifications of the Consultative Visit outline. Furthermore, the team felt that prioritization and actual project formulation should rightly be left for Indonesian officials, though some technical assistance in this area could be usefully supplied under the activity, if funds were available and if this was requested by the Government of Indonesia.

The Government of Indonesia submitted a comprehensive project proposal related to the fields of activity for integrated forest fire management in Indonesia that were suggested in the above report of the Consultative Visit. This proposal is being considered in the Project Cycle leading to the Fourteenth Session of the Council. During the Thirteenth Session of the Council the delegations of Indonesia, Japan and the United States of America advised the Government of Indonesia to review this proposal with technical assistance provided by the Governments of Japan and the United States to help speed its progress through the Project Cycle.

Furthermore, the Committee advised that action be taken immediately to its recommendation at the Yaoundé Session to commission a consultancy report and constitute the Working Group as outlined in the draft terms of reference for this purpose found in Appendix 2 of PCF(XI)/11.

4. FOREST INDUSTRY

A total of five pre-project proposals were considered by the Committee in 1992, of which four were approved for implementation subject to financing being available. The approved pre-projects were:

- (i) Pre-Feasibility Study on Harmonization of Tropical Plywood Standards;
- (ii) Harmonization and Integration of Work Proposed Under Project Proposals: PD 177/91 (M,F,I) and PD 41/92 (F);
- (iii) Sustainable Development of the Plywood Industry in Latin America;
- (iv) Reviewing and Preparing Supporting Documents for Work on Guidelines for the Development of Sustainable Forest Industries;
- (v) Pre-Project Study on the Creation of a Center for the Promotion of Lesser Known Species in Europe.

Financing was made available for the first two pre-projects listed. However, at the end of the year the remaining three pre-projects were still awaiting financing.

4.1 Completed Pre-Projects

Three pre-projects were completed in 1992:

(i) Industrial Processing of Rubber Wood in Africa

The study on "Industrial Processing of Rubber Wood in Africa" was implemented under the responsibility of the Office National de Developpement des Forets (ONADEF), formerly Centre National de Developpement des Forets (CENADEFOR), Cameroon. This pre-project study provided assistance to selected African countries (Cameroon, Cote d'Ivoire, and Ghana) with rubber plantations to plan future manufacturing and trade in rubber wood products. The programme undertaken included three main components:

- (a) a study tour to visit rubberwood plantations, sawmills, furniture factories, and research institutes in Malaysia, with additional research in France;
- (b) a market study on rubberwood utilization for school furniture and other uses; and
- (c) a feasibility study to evaluate available rubberwood resources, technical aspects of rubberwood processing, and financial considerations related to investment requirements, economies of scale, potential profits, etc.

A regional seminar to discuss the results of the study was convened in the second half of 1991. The final report on the pre-project, including amendments suggested by the Committee, will be available in 1993.

(ii) Feasibility Study on a Program to Support the Sustainable Management of the African Forests Producing Industrial Timber in Order to Better Enhance Their Potentiality

Through this pre-project, financed and organized in April-May 1992, a mission was sent to selected ITTO member countries in West and Central Africa to ascertain the measures that need to be implemented or continued in order to facilitate attainment of ITTO's objectives in the region. The mission concluded that ITTO's activities in the African region should

concentrate on the promotion of sustainable forest management, with emphasis on three main areas:

- (a) providing forest management assistance to concession holders;
- (b) supporting demonstration and pilot projects to improve forest inventories and forest management; and
- (c) restructuring and strengthening forest management departments in national and provincial forest agencies.

Additionally, the study recommended that priority be accorded to projects related to agro-forestry, forestry legislation and institutions, planning and development of timber industries, and training in general.

The study also includes a chapter covering a proposed arrangement to increase ITTO presence in Africa through cooperation with the African Timber Organization (ATO). More specifically, the study proposed the placing of an ITTO regional officer in the ATO headquarters in Libreville, Gabon. The officer would be responsible for:

- (a) assisting in the implementation of ITTO activities in the region;
 - (b) assessing the feasibility of project proposals from member countries in the region and assisting them to formulate appropriate proposals for ITTO;
 - (c) assisting ITTO to follow up on the implementation of projects in the region; and
 - (d) ensuring cooperation and coordination of work between ITTO and ATO.
- (iii) Feasibility Study on a Program to Strengthen ITTO Activities in Latin America/ Caribbean Through the Services of a Field Officer

This pre-project examined the feasibility of strengthening ITTO's activities in Latin America/Caribbean through the mechanisms proposed under Project PD 177/91 (M,F,I) - Strengthening ITTO Field Activities and Monitoring in Latin America/ Caribbean.

In August and September of 1992, a team of two consultants visited international/regional organizations and government agencies in the following Latin American/Caribbean ITTO member countries: Colombia, Ecuador, Brazil, Bolivia, Peru, Honduras, Panama, and Trinidad and Tobago. The main findings and conclusions of the study are as follows:

- (a) All member countries in the region decidedly support the implementation of PD 177/91 (M,F,I) and agree that a need exists to expand ITTO's presence in the region.
- (b) According to priorities expressed by the member countries, PD 177/91 (M,F,I) should focus on the following activities:
 - assistance in identifying projects that can significantly contribute to the implementation of ITTO's Action Plan and achievement of Target 2000;
 - increased presence of the Organization in the region to facilitate dissemination and promotion of ITTO's policies, to represent the Organization at regional events, to assist in collecting information on progress toward Target 2000 and to promote the adoption of policies and other measures geared to facilitating

achievement of this goal, to coordinate collection of data for the "Annual Review and Assessment of the World Tropical Timber Situation," and to assist when needed with evaluation and monitoring of ITTO projects implemented in the region.

- (c) Regarding potential host countries, Bolivia, Ecuador and Honduras expressed interest in hosting PD 177/91 (M,F,I). Other countries, namely Brazil, Panama, and Peru, indicated that they may also be interested in hosting the project.
- (d) The four following international organizations are also possible hosts for the project's headquarters:
 - The Amazon Cooperation Treaty (ACT), Pro-Tempore Secretariat with headquarters in Quito, Ecuador;
 - The Cartagena Agreement (JUNAC), Technical Secretariat of the Andean Pact with headquarters in Lima, Peru;
 - Latin American Economical System (SELA), with headquarters in Caracas, Venezuela;
 - Andean Corporation for Development (CAF), with headquarters in Caracas, Venezuela.

The study provided a preliminary assessment of their potential as possible hosts for the project.

- (e) The cost-benefit evaluation considered and quantified the value and costs of project services covering (a) assistance for monitoring and evaluation of ITTO projects in the region; (b) assistance in the collection of regional statistics; (c) coordinating the preparation and distribution of a newsletter; and (d) other services.

4.1.1 *Pre-Projects in Progress*

Nine approved pre-projects are under implementation or under preparation for execution; and three are currently awaiting financing. Summaries of their status of development at the end of 1992 are given below:

- (i) Development Work to Phase Out Trade on Unsustainably Produced Timber:
I - Assessment of Future Mahogany Supply and Alternative Industrial Operations for Sustainable Production (\$337,400)

This pre-project is designed to carry out a preliminary assessment of the present situation and future prospects for the supply of Amazonian mahogany and explore alternative models for sustainable production. The study's immediate objectives are:

- (a) to analyze the supply and demand situation of mahogany, both for local and export markets;
- (b) to identify alternative models of production, including economic, social and environmental aspects, as well as organizational arrangements and institutional issues;

- (c) to evaluate the feasibility of the selected models; and
- (d) to prepare project proposals for follow-up action.

The work proposed in the pre-project will assist governments, particularly the Government of Brazil, to develop a management plan for mahogany forests to ensure a permanent and sustainable supply of mahogany timber while retaining the greatest possible value of the forests for local people, maintaining biodiversity, and conserving environmental values. The pre-project work will provide preliminary information that is essential to the planning process needed to design a major development and investment program on sustainable management and production to phase out unsustainable international trade of mahogany.

The study will fill a gap in availability of basic information on, among other important factors: the extent of mahogany forests in the Amazon basin; present status of mahogany production for international and local markets and future prospects; assessment of the feasibility of sustainable production of mahogany through the establishment of national or state forests, in addition to their production potential and alternative management schemes; and feasibility of management and harvesting systems minimizing site accessibility and environmental damage while optimizing production.

The pre-project study is being implemented by a Brazilian conservation NGO, FUNATURA. Actual field work started in mid-1991. Some preliminary results on the initial activities were made available to ITTO, including reports on the following studies:

- (a) Government Policies and Use of Forest Resources in the Brazilian Amazonia (168 pages); and
 - (b) The Production and Trade of Brazilian Mahogany (204 pages).
- (ii) Institutional Strengthening of IBAMA's Forest Products Laboratory (\$ 56,000)

This pre-project study provides assistance in the planning of future research work of the Forest Products Laboratory of the Brazilian Institute for Environment and Renewable Natural Resources (IBAMA). The study reviews research and development activities of the laboratory with a view to adjust and improve its capability. The study will consider and prioritize the following areas:

- (a) studies and technological research aimed at improving the knowledge of lesser-known wood species, thereby expanding their commercialization and industrialization possibilities;
- (b) identification and selection of lesser-known species for industrial uses, aimed at the sustainable production of the forest resources; and
- (c) development and dissemination of technology to increase the utilization of tropical timbers for different uses.

The implementation of the pre-project study is under the responsibility of IBAMA, which started its implementation in the second half of 1992.

(iii) Manpower Development of the Sarawak Forest Sector (\$151,184)

This pre-project study is to assess the present and future workload requirements of the Sarawak Forest Department and determine the training needs of both the public and private sectors to assist in the development of manpower for the entire Sarawak forest and timber sectors.

The pre-project study follows up on the recommendations of the ITTO Sarawak Mission, which found that manpower development is essential if the economic potential of the forest resources of Sarawak, its forest industries and other forest values are to be maintained.

The implementation of the pre-project study is under the responsibility of the Forest Department of the State Government of Sarawak, Malaysia, which commenced project activities in the second half of 1992.

(iv) Technical and Economical Feasibility of Large-Scale Construction of Wooden Houses in Brazil (\$ 77,500)

This pre-project will review literature on timber species available in the Brazilian market and on their use for wooden houses. The study will also review current timber housing construction projects and assess the constraints for wider and enhanced utilization of construction timber in Latin America. The pre-project will make recommendations on future studies needed and prepare a project proposal on building a demonstration house for tropical regions.

The implementation of the pre-project is under the responsibility of the Foundation of the University of Parana (FUNPAR), Brazil. The study has been delayed but is expected to commence early in 1993.

(v) Feasibility of a Promotion Center for Furniture Manufacturing in Ecuador (\$ 30,000)

This pre-project studied the feasibility of a promotion Center for furniture manufacturing in Ecuador. The results of the study will assist the Forest Industry Committee in the appraisal of a project proposed by the Government of Ecuador to establish such a Center. The pre-project study also investigated the potential for self-sufficiency of such a Center if established, considering also the option of an expanded Center with regional scope and the provision of furniture design assistance through overseas training. The study took into account the Center's viability over the long term, a main Committee concern given the low level of support from the private sector. Finally, the study assessed how comparative advantages in Mexico and Brazil might affect the viability of Ecuador's entry into this industry. The study's report was made available in November 1992 and will be considered by the Forest Industry Committee in its Twelfth Session in May 1993.

(vi) The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja, Ecuador (\$ 57,000)

This pre-project study will assess the potential options and feasibility of industrial use of small logs from eucalyptus plantations in Loja. The assessment shall take into account:

- (a) existing experiences and knowledge in eucalyptus processing and utilization;
- (b) production capability in Loja;

- (c) sites for pilot or demonstration processing units;
- (d) plantation management systems and logging methods;
- (e) markets and marketing possibilities; and
- (f) community organization and training requirements.

The study is also expected to reformulate an earlier Ecuadorian project proposal to assist local indigenous Loja communities in managing and utilizing their eucalyptus plantations. The reformulated proposal shall be designed with a focus on training, extension and demonstration activities.

The implementing agency for this pre-project study is the Subsecretariat for Forestry and Renewable Natural Resources, Ministry of Agriculture and Livestock, Ecuador. Work under this study was expected to start in early 1992, but institutional restructuring in Ecuador has caused a delay. Project activities are now expected to commence in early 1993.

- (vii) Provision of Assistance for Reassessment and Reformulation of Zairian Project Proposals PD 205/91 (I) - National Saw Maintenance Centre and PD 209/91 (I) - Study of Zairian Timber with a View to Promoting Certain Species (\$ 44,000)

In coordination with the Zairian TFAP follow-up unit, this pre-project is assisting the Government of Zaire in preparing project proposals for presentation to ITTO, under the following terms of reference:

- (a) Assess the wood production situation in Zaire, including the status and prospects for utilization and promotion of lesser-used species.
- (b) On the basis of the findings of activity (a) and taking account of the Zairian institutional capability and institutional support that may be needed, develop the project profile presented under PD 209/91 into a full project proposal.
- (c) Review and assess availability of appropriate saws and sawdoctoring training needs in Zaire and prepare recommendations for action to fill gaps, in light of ITTO priorities set up in the Action Plan. The planned activities may include the development of a full project proposal based on the profile presented under PD 205/91.

Work under item (c) above has been completed and the fully developed project proposal, PD 209/91 (I) - Study of Zairian Timber with a View to Promoting Certain Species, was approved for implementation by the ITTO Council.

- (viii) Pre-Project Study on the Creation of a Center for the Promotion of Lesser-Known Species in Europe (\$ 52,500)

This pre-project will study the feasibility of establishing a Center in Europe to undertake the promotion of lesser-known tropical timber species from all three producing regions. The proposal for establishing a promotion Center has been in the ITTO agenda since 1988, when such a proposal was put forward as a result of an ITTO pre-project study on lesser-known species implemented by CTFT (France). This additional study was approved to assess the Center's feasibility and appropriateness.

The implementation of the pre-project study is under the responsibility of the Office National de Developpement des Forets (ONADEF) in Cameroon. It is currently awaiting financing.

(ix) Sustainable Development of the Plywood Industry in Latin America (\$ 115,500)

This pre-project will conduct a survey to provide updated information on the structure of the Latin American/Caribbean Plywood Industry. The study will analyze and make available information on location, raw material supply, production capacity, technology, employment, markets, etc., which are essential for planning further development of the plywood sector, particularly in a region where the industry has not developed as expected due to financial and marketing constraints.

The implementation of this pre-project study is under the responsibility of the Brazilian Association of the Plywood Manufacturing Industry (ABIMCE). The pre-project is still awaiting financing.

(x) Harmonization and Integration of Work Proposed Under PD 177/91 (M,F,I) and PD 41/92 (F) (\$ 44,000)

This pre-project will fund a meeting of a working group made up of experts from producing and consuming countries to harmonize and integrate the work proposed under projects PD 177/91 (M,F,I) - Strengthening ITTO Activities in Latin America/Caribbean Through the Services of a Field Officer, and PD 41/92 (F) - International Network for Developing Human Resources for Sustainable Tropical Forest Management (Phase II).

Under the pre-project, the working group will:

- (a) Review project proposals PD 177/91 (M,F,I) and PD 41/92 (F), taking into account the Committee and Expert Panel's comments and decisions on them and the related documents listed below:

- PPD 48/91 (I) Feasibility Study on Programme to Support the Sustainable Management of the African Forests Producing Industrial Timber in Order to Better Enhance Their Potentiality
- PPD 49/92 (I) Feasibility Study on a Program to Strengthen ITTO Activities in Latin America/Caribbean Through the Services of a Field Officer
- PPD 51/92 (M,F,I) Support for the Sustainable Management and Utilization of Timber Resources in Tropical Africa

- (b) Prepare a project proposal(s) designed to appropriately implement the work proposed under proposals PD 177/91 (M,F,I) and PD 41/92 (F) in a manner that optimizes use of resources and avoids duplication of efforts.

(xi) Pre-Feasibility Study on Harmonization of Tropical Plywood Standards (\$50,325)

Following a recommendation by the ITTO-sponsored World Conference on Tropical Plywood, the Government of Indonesia submitted and the Council approved a proposal to study the feasibility of developing appropriately harmonized tropical plywood standards for use in international trade.

The objectives of the study are as follows:

- (a) Review plywood standards of major producing and importing countries.

- (b) Review and assess plywood standards adopted or likely to be adopted by major regional trade blocks such as the EEC and North America.
- (c) Consult major tropical plywood producers with a view to assess the feasibility of developing common standards that may appropriately meet the domestic markets as well as the requirements and standards of major importing markets.
- (d) Prepare recommendations and proposals for follow-up action if development of harmonized tropical plywood standards are deemed appropriate and feasible.

The study will be implemented by consultants selected by ITTO in consultation with relevant agencies from the submitting country.

(xii) Reviewing and Preparing Supporting Documents for Work on Guidelines for the Development of Sustainable Forest Industries (\$57,200)

Following extensive discussions of a proposal contained in a paper entitled "ITTO Guidelines for Development of Sustainable Forest Industries: A Discussion Paper," put forward by the Chairman of the Forest Industry Committee, Prof. Nils Erik-Nilsson, a pre-project study was approved to establish the basis for further work on the Guidelines.

Specialized consultancy services will be used to prepare a first draft of a document containing proposals on Guidelines for the Development of Sustainable Forest Industries. The draft will recognize that a simultaneous adaption of the forest industries to sustainable forest management and vice-versa is a prerequisite for the sustainable development of both forestry and forest industries. A profitable forest industry is a basic prerequisite for sustainable forest management.

The conception of the Guidelines will mainly take into account the enterprises' perspective but will also include matters which relate to development of national policies. Furthermore, the Committee decided that in drafting the Guidelines, optimum use should be made of existing knowledge, as appropriate, such as those contained in completed and ongoing ITTO projects as well as relevant work by UNIDO and FAO. Particular attention should be paid to documents related to these Guidelines already perused by the Committee, namely:

- (a) Planning and Management of Forest Industries in Developing Countries, a joint ITTO/FTP-FINNIDA/FAO publication, 1992.
- (b) ITTO Guidelines for Development of Sustainable Forest Industries: A Discussion Paper (Appendix III in the Report of the Tenth Session of the Permanent Committee on Forest Industry), 1992.
- (c) The ITTO Action Plan: Criteria and Priority Areas for Programme Development and Project Work, 1990.
- (d) Both the contents and formats of the Guidelines already adopted or being adopted by ITTO:
 - ITTO Guidelines for Sustainable Management of Natural Tropical Forests, 1990;
 - Guidelines for the Establishment and Sustainable Management of Planted Tropical Production Forests, 1993; and

Report of the Working Group on Guidelines for the Conservation of Biological Diversity in Tropical Production Forests [ITTC(XI)/7 Rev.2].

This pre-project was still awaiting financing as of the end of 1992.

4.2 Projects

A total of 20 project proposals were considered and appraised by the Permanent Committee on Forest Industry in 1992. Following the Committee's recommendations, the Council approved for implementation the following ten projects:

- PD 109/90 Rev.4 (F,I) Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire
- PD 179/91 Rev.1 (I) Industrial Utilization and Improved Marketing of Some Ghanaian Lesser-Used Timber Species from Sustainably Managed Forests
- PD 209/91 Rev.2 (I) Study of Zairian Timber with a View to Promoting Certain Species
- PD 4/92 (I) Development of Eucalyptus Timber in the West and North-West Regions of Cameroon
- PD 6/92 Rev.1 (I) Reduction of Waste During Utilization and Processing of Timber in Cameroon
- PD 13/92 (I) First Timber Industrialists Meeting in Central America
- PD 17/92 Rev.3 (I) Technology Transfer/Commercialization of Selected Cocowood Utilization Technologies
- PD 20/92 Rev.1 (I) The Identification, Properties and Uses of the Tropical Timber Imported to China from Africa
- PD 35/92 (I) Vocational Training Center for the Forest Industry - Timber, Furniture Industries and Environment in the Amazonian Region
- PD 46/92 (I) World Conference on Tropical Plywood in the Latin America/Caribbean Region

The Committee recommended that the remaining ten project proposals be either reconsidered or revised in the light of its appraisal and comments.

In the five-year period between 1987 and 1992, the Council approved a total of 60 projects in the field of Forest Industry, though financing and allocation of funds were effected only for 42 projects as of December 1992. The scope and status of on-going projects as well as three projects completed in 1992 are briefly summarized in sections 4.2.1 and 4.2.2.

4.2.1 Projects Completed in 1992

- (1) PD 123/91 Rev.2 (I) Training Programme on Furniture Production

Budget and Funding Sources:

Total	\$143,500
Govn't of Japan	\$143,500

Implementing Agency:

Malaysian Timber Industry Board

Starting Date:

November 1991

Duration:

Planned - 9 months

Actual - 9 months

This project financed a one-month training program on furniture production management at the Skive Technical Institute (Denmark) for fourteen participants from ITTO Asian producer Members (four from Malaysia, three from Indonesia, one from India and two each from Philippines, Papua New Guinea and Thailand).

The training program was implemented from 10 February to 6 March 1992. The program included formal lectures on several aspects of furniture production management and quality control as well as specific case studies and visits to nine wood furniture mills in Denmark.

In its program evaluation, the Implementing Agency concluded that the training activities succeeded in improving the participants' knowledge of furniture production management. Participants felt that though there are still aspects of furniture production management they need to receive further training on, the program was important and useful to enable them to properly manage furniture factories in their home countries. In particular, the program provided participants with insight into what furniture manufacturers should do to achieve the product quality standards required in European markets.

A survey carried out by Skive Technical Institute at the end of the training program resulted in the following conclusions and recommendations, based on feedback from trainers and trainees:

(i) Participants' Qualification in Relation to the Course Content

The qualification and experience of the participants from the various countries was found to vary significantly, thus making it very difficult to adhere to the agreed advanced level of the training program. Although the proposed level of the training program was emphasized to the nominating agencies in the different producing member countries, it appears that this requirement was not given full consideration by some producing members. The presence of participants who did not have the requisite qualifications and experience required a re-adjustment of the program, therefore depriving the qualified participants, who would have been able to follow the program at the higher level planned. In order to derive maximum benefit from such training programs in the future, it may be necessary to strictly implement the specified conditions among the participating countries in the selection of the participants. The full cooperation of producing members will be necessary for effective implementation of this recommendation.

(ii) Follow-Up Actions With Participants

It is recommended that the relevant nominating agency in the respective ITTO producing member country should take the necessary follow-up action to ensure that the skills and knowledge acquired from this training program is transferred to the furniture industry within the country, through suitable activities such as courses, talks, advisory or consultancy

services. If the participants prove their ability to serve as members of a core group of managers/supervisors, who are able to provide training for other managers/supervisors, these participants should be given further training and exposure in furniture production management, in order to further enhance their skills and knowledge.

- (2) PD 134/91 Rev.2 (I) Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase II

Budget and Funding Sources:

Total	\$183,000
Govn't of Japan	\$146,000
Govn't of Netherlands	\$ 37,000

Implementing Agencies:

Agriculture University Wageningen and
TNO Industrial Research

Starting Date:

November 1991

Duration:

Planned - 6 months
Actual - 10 months

The second phase of this project further developed a computer based system that allows the matching of twenty-one wood properties with requirements of selected timber end-uses. It expanded the data base to provide producers and consumers of tropical timber with information about markets, timber properties, available quantities, quality, sizes and delivery conditions, as well as market prices.

The model developed under Phase I was discussed in a meeting of experts from producing and consuming countries in the Netherlands in January 1992. The meeting considered and prepared the elements for an expanded computer model. The major recommendations of the meeting were as follows:

- (i) Consideration should be given to the need to use the various databases that are already available by linking them;
- (ii) specific recommendations on how to improve the program in the future were:
 - (a) adding aesthetic aspects;
 - (b) recording sustainability as "yes/no/unknown" based on information to be collected and assessed in accordance with ITTO guidelines and suggested methods and procedures for measuring sustainable forest management; and
 - (c) providing more detailed information on the message screen explaining the negative wood characteristics, including attention to possibilities for preservation treatment and use of hardened cutters.
- (iii) Species from the temperate zone should be added for comparison.

- (iv) Refer to ITTO/ITC Market News Service and commercial marketing bureaus for current prices.
- (v) Allow inclusion of mixtures of species.
- (vi) Include standard trade names and local names, using documentation of ATIBT as a guide.
- (vii) Separate veneer into categories "rotary veneer" and "sliced veneer".
- (viii) Investigate the use of the "Harmonized Commodity Descriptions and Coding System" for defining types of products.
- (ix) Add information about tax and trade barriers for importing and exporting countries.
- (x) Add information about known uses of the timber to the message screen.
- (xi) Add a method for listing and ranking species for a specified end-use.

Based on these recommendations, the project management team finalized a proposal for follow-up work to be considered by ITTO [project PD 31/92 (M,I) - Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase 3].

The actual expansion and reformulation of the computer system and data bank are to be effected only in Phase 3. However, under Phase 2 the timber end-uses covered in the program were extended to seven, with the development and inclusion of criteria for selection of timbers for marine construction work. This end-use is important for countries with harbors and waterway transport systems. The computer software was further improved by inclusion of some trade-oriented factors and elements related to species production regime (sustainability).

The project also continued work initiated under Phase 1 to disseminate the computer program and encourage the use of the system, with implementation of the following activities:

- (i) Publication of an article on the project and computer program in the *de Houtwereld*, a timber journal published in the Netherlands.
 - (ii) Presentation of a paper and poster.
 - (iii) Convening of a workshop in Lima, Peru, in cooperation with ITTO Project PD 37/88 Rev.3 (I) "Industrial Utilization of New Tropical Species in Peru (Phase I)".
 - (iv) Presentation on the project and computer system to UCBT (Paris) and the Committees of the Hardwood Section of the Dutch Timber Board and the Association of Dutch Timber Agents.
- (3) PD 70/89 Rev.2 (I) World Conference on Tropical Plywood in the Asia Pacific Region

Budget and Funding Sources:

Total	\$205,000
Govn't of Japan	\$175,000
JPMA	\$ 30,000

Implementing Agencies:

ITTO, with the assistance of JPMA and APKINDO

Starting Date:

April 1990

Duration:

Planned - 8 months

Actual - 24 months

This project was approved by the ITTC in 1989. It was implemented by ITTO and sponsored by the Asosiasi Panel Kayu Indonesia (APKINDO), Government of Japan, and Japan Plywood Manufacturers Association (JPMA). Through this project a conference was convened to provide a forum for exchange of information, consultation and cooperation between world tropical plywood producers and consumers. The conference was held in Jakarta, Indonesia, 11 - 14 December 1991.

The conference program covered: (i) sustainability of resources; (ii) technology transfer; (iii) processing and quality improvement; (iv) waste reduction; (v) standardization; and (vi) improvement of statistics. Several technical papers addressing these topics were commissioned and presented.

A total of 139 participants from 28 countries attended the conference, of which 22 were from the public sector and 117 were from the private sector.

The main conclusions and recommendations of the conference were as follows:

(i) Economics

The central issue emerging from the papers and the discussion was the need to get a fair price. Present prevailing prices are not enough to cover the high costs of forest rehabilitation and regeneration after extraction, and do not reflect the inherent value of the tropical forest resource.

It was recognized that plywood industries play a very prominent role in some developing countries, creating employment and earning foreign exchange.

It was emphasized therefore that tropical plywood must earn its fair remunerative price, and an essential part of this process must be production planning and quality control to ensure the achievement of higher added value and quality to meet the standards and requirements of the world market.

It was recognized that, in the past fifteen years, there have been major improvements in the quality of plywood products and a considerable expansion of output volume.

It was argued and agreed that one of the obstacles to the achievement of fair pricing through the market mechanism was the continued existence of protectionist and discriminatory trade practices and policies.

(ii) Resources

It is generally understood that tropical forests have a very important role to play in providing a healthy living environment for mankind, as well as the conservation of wildlife.

The principle trends identified in the papers were:

- (a) that traditional tropical timber supplies were declining to a certain extent;

/...

- (b) that due to the industry's natural tendency to take the closest, easiest, and best, the quality of future supplies will continue to deteriorate and the costs will increase; and
- (c) that the tropical plywood industry will have to adjust to supplies of an entirely different nature, comprised of logs from plantations and second cycle natural forests.

It was emphasized that while Asia is currently the dominant force in tropical plywood, Africa and Latin America have resources which their plywood industries have not been able to take advantage of, due to under-capitalization, lack of adequate infrastructure, and shortage of capable management and trained manpower.

(iii) Technology

The papers on plywood technology clearly showed that the equipment and methodology already exist for handling the very different resource base which the tropical plywood industry will face in the future.

One of the main problems foreseen is the effective transfer of the new technology to the existing tropical plywood industry. Plywood manufacturers in tropical countries will inevitably face a transition period, where the new small-diameter log peeling and processing technology will run side-by-side with the traditional equipment and methods in their plants.

The discussion brought out the magnitude of the capital and training requirements to effect this transition. This brought to prominence again the need for upward readjustment of tropical plywood pricing in order to finance the costs involved. Pricing also emerged as a major obstacle to the effective utilization of the wood waste arising from present production processes.

(iv) Concerns

Three issues of universal concern were identified in the discussions and the plenary session:

- (a) Prices: the virtually stagnant price situation for tropical plywood over the last fifteen years is one of the major threats to the sustainable management of the tropical forest resource base.
- (b) Training: the effort needed by the tropical plywood industry to overcome immediate obstacles and accommodate changing supply and market conditions is severely hampered by a critical shortage of capable management and trained manpower.
- (c) Sustainability: the environmental movement's attack on the utilization and management of tropical forest resources is a source of major concern. It is essentially an attack on the unsustainability of present practices. Because the criticisms are not entirely justified, and some progress towards improvement is being made, the plywood industry and trade need to develop an effective and positive response. Several strategies were discussed and ITTO was encouraged to continue its work in addressing this problem.

(v) Conference Proposals

The future of the tropical plywood industries and the sustainable management of the resource base is dependent upon the acceptance by the consumer countries that these matters are also their concern and responsibility. Hence, the full cooperation of all producers and consumers is needed.

All of these issues reflect the need for continued dialogue and more informed consultation. The specific proposals which emerged were as follows:

- (a) Continuation of the Forum: it was strongly recommended that the Tropical Plywood Conference be reconvened on a regular basis. This may be undertaken as a project within the ITTO framework.
- (b) Producers Association: it was agreed that the dialogue should continue on the formation of an International Tropical Plywood Producers Association, covering the countries with a tropical timber heritage.
- (c) Pricing Discussions: it was agreed that tropical plywood producers and consumers should meet regularly, within the ITTO framework, to develop a pricing system that will be remunerative to producers and equitable to consumers.
- (d) Market Access: it was agreed that producers and consumers should work together, within the ITTO framework, to improve market access for tropical plywood to all importing markets.
- (e) Harmonization of Standards: it was agreed that profitability, and thus a better pricing system, would be facilitated by harmonization of international standards concerning tropical plywood. It was therefore proposed that a project be submitted to ITTO to carry out a study of the feasibility of developing such standards.
- (f) Public information: in view of the extent to which the public debate about tropical forests is distorted by erroneous information, it was proposed that ITTO should strengthen its public information programme to stress the importance of the role of international trade in tropical plywood in achieving sustainable management and conservation of tropical forests.

The conference attained its objectives, having provided an efficient forum for dialogue and discussion that successfully reviewed the six main topics related to the development of tropical plywood, particularly in the Asia/Pacific region. The conference also produced six specific and practical proposals which were approved by both the producers and consumers. These proposals will enhance the development of the world plywood industry; one pre-project (Pre-Feasibility Study on Harmonization of Tropical Plywood Standards [PPD 5/91]) has already been approved and financed by the Council.

The proceedings of the conference were printed in 1992 and have been distributed.

4.2.2 *Projects Under Implementation*

- (1) PD 3.a/87 (I): Enhancing Locally the Value of Lesser Known Species (Manufacture of Blockboards from Lesser Known Species in Cameroon)

Budget and Funding Sources:

Total	\$239,000	
Govn't of Cameroon	\$ 80,000	(in kind)
ITTO	\$159,000	

Implementing Agency:

Office National de Developpement des Forets (ONADEF)
Centre Technique Forestier Tropical (CTFT)

Starting Date and Proposed Duration:

September 1990
12 months (exceeded)

This project will facilitate transfer of technologies to Cameroon for processing raw materials from lesser-known timber species into a manufactured stable product (edge-glued panel).

A research center in Cameroon (ONADEF, formerly CENADEFOR), assisted by the Centre Technique Forestier Tropical (France,) is responsible for project development activities. Two hundred edge-glued panels were manufactured and used in school and office furniture, kitchen and dining room tables, and other products. The performance of these products is under evaluation. The project also organized a 3-day training session aimed at promoting and raising the interest of the private sector in manufacturing and using edge-glued panels.

Additional activities planned include:

- (i) a second training session for the private sector;
 - (ii) testing the experimental panels for manufacturing doors and housing components;
 - (iii) market studies; and
 - (iv) marketing and product promotion activities.
- (2) PD 4/87 Rev.1 (D): Training in Planning and Management of Forest Industries in Developing Countries

Budget and Funding Sources:

Total	\$ 1,772,500
FINNIDA	\$ 1,772,500

Implementing Agency:

Forestry Training Program (FTP) with the assistance of FAO and ITTO

Starting Date and Proposed Duration:

October 1989
4.5 years

This 4.5-year project is implementing - in Africa, Latin America/Caribbean and Asia/Pacific - training programs with the aim of increasing and improving the contribution of existing and new timber-based industries to regional and sub-regional development. The project includes: (1) a survey of the training materials and review of the curricula of the existing training institutions specializing in forest industries; (2) preparation of appropriate training materials and further-training proposals necessary for forest industries planning, management and operation; (3) designing and holding six seminars to improve the knowledge and skills of about 120 managers of forest industry enterprises and representatives of public agencies from producing regions; and (4) designing and implementing at the national level six complementary and further-training programs to enhance skills in planning and management of appropriate forest industries.

Implementation of the project started in October 1989 with the recruitment of a project manager. The implementation is progressing as scheduled. The preparatory work and phase I of the project have been completed, and included the execution of the following activities:

- establishment of the expert network in participating countries;
- surveying training needs in planning and management of forest industries;
- preparation of guidelines for planning and management of appropriate forest industries and methodology for their evaluation; and
- convening the first three regional training workshops in Accra, Ghana (January 1991); Panama City, Panama (April 1991); and Abidjan, Côte d'Ivoire (February 1992).

A tripartite review of the project with the participation of FTP/FINNIDA, FAO and ITTO was held in November 1991. The project implementation was reviewed and a work plan for the next two years was prepared in detail.

Under project phase II, the first two national level further-training courses were planned and convened in Kumasi, Ghana in May/June 1992 and Quito, Ecuador in October 1992. The courses consisted of two different parts. In the first week, trainees were instructed in training skills and in planning and implementation of training activities. During the next two weeks, the teacher candidates tested their newly gained skills by practicing as lecturers in additional training activities.

The fourth regional training workshop was organized in Belem, Brazil in September 1992. The workshop was attended by 21 trainees from Bolivia, Brazil, Peru and Trinidad and Tobago.

The printing of final texts of the project technical documents and teaching material have been finalized, and the following publications are available in English, French and Spanish:

- (i) Planning Forest Industries in Developing Countries;
- (ii) Training in Planning and Management of Forest Industries in Developing Countries (text and slide presentation); and
- (iii) Course Notes and Cases for Group Work.

The national training course scheduled to be convened in Francophone Africa in 1992 was called off because of financial and time constraints. This problem, as well as options and measures necessary to fully implement the project, were presented to the Permanent Committee on Forest Industry at its Eleventh Session. The Committee recommended to Council that a supplementary allocation of \$ 390,600 be made to allow thorough implementation and successful completion of the project; however, these additional funds are not yet available.

- (3) PD 11/87 (D): Malaysian Timber Industry Board and Timber Industry Upgrading

Budget and Funding Sources:

Total	\$345,000
Govn't of Japan	\$345,000

Implementing Agency:

Malaysian Timber Industry Board (MTIB)

Starting Date and Proposed Duration:

January 1989
3 years (exceeded)

This project is implementing a training program for forest industries and government executives from Malaysia. The training program consists of both short term courses in technical areas in the timber industry (marketing, furniture standards and design, feasibility studies, etc.) as well as formal education courses at the graduate level, leading to university degrees in business administration.

The staff of MTIB and selected executives and technicians from the timber industry have been, throughout all three years of the project, widely involved in technical and managerial programs at highly reputable institutions and in attachment programs both with overseas and local industries. Up to September 1992, a total of 36 executives had received training from the project. The training program included graduate work on business administration and forest industry technology and marketing, as well as short term courses and seminars related to tropical timber.

The following additional training activities were scheduled from October to December 1992:

- (i) workshop on furniture production technology;
- (ii) improvement of kiln-drying practices through consultancy services; and
- (iii) visit/internship in overseas furniture industries.

Apart from the core training program, the project contributed to computerization of MTIB operations with computer hardware, software and training of MTIB staff. A computerized information system was developed and became operational in the first half of 1992.

The project will be completed in February 1993.

- (4) PD 12/87 (I): Research on Utilization of Tropical Timber in Construction

Budget and Funding Sources:

Total	\$494,422	
FRIM	\$220,538	(in kind)
Govn't of Japan	\$273,884	

Implementing Agency:

The Forest Research Institute of Malaysia, FRIM

Starting Date and Proposed Duration:

October 1990
5 years

This project consists of a research program in timber housing construction being carried out by the Forest Research Institute of Malaysia, to increase and improve the utilization of timber in housing and building construction in the country. Research emphasis is on timber use and performance in load bearing applications. Expected outputs include several technical papers, manuals and design guides.

The contractual agreement for project implementation was finalized in September 1990. As of December 1992 the following activities had been completed:

- (i) recruitment of a research scientist;
 - (ii) selection and purchase of research equipment, including hydraulic jacks, hydraulic loading control systems and load cells;
 - (iii) studies on selection and definition of construction standard sized components (wall panels, roof rafters, joints, etc.) and preparation of an Information Paper on this subject;
 - (iv) studies and testing on timber joints and fasteners;
 - (v) designing, manufacturing and testing trussed rafters;
 - (vi) preparation of four technical reports for publication, namely: (i) Selection of Standard Sized Components; (ii) Strength of Nailed Joints in Mengkulang; (iii) Strength of Metal Plate (Punched-Plate) Joints in Mengkulang; and (iv) Strength of Bolted Joints in Mengkulang; and
 - (vii) design of a steel framework testing rig for testing full scale housing components.
- (5) PD 37/87 Rev.3 (I): Industrial Use of New Forest Species in Peru: Phases I and II

Budget and Funding Sources:

Total	Phase I	\$ 829,250	Phase II	\$ 841,750
Govn't of Japan	Phase I	\$ 448,750	Phase II	\$ 461,250
Govn't of Peru	Phase I	\$ 380,500	Phase II	\$ 380,500 (in kind)

Implementing Agency:

General Directorate of Forests and Wildlife of the Ministry of Agriculture and selected timber industries of Pucallpa, Iquitos and Lima

Starting Date and Proposed Duration:

April 1990
2 years (exceeded)

This project involves formulation and implementation of an applied research program to promote industrialization and commercial introduction of 20 lesser-known timber species found in Peru. Species for which basic technical information already exists were processed and tested in selected wood industries in the departments of Lima, Loreto and Ucayali.

In the project phase I sawnwood products were manufactured on a trial basis and promoted in the domestic and international market (Europe and Japan). Upon conclusion of Phase I in December 1991, the following activities had been implemented:

- (i) wood technology studies to complement information on the technical properties of 25 selected species;
- (ii) wood raw material processing trials (3,500 m³) involving sawing, machining, drying and durability preservation research;

- (iii) pilot industrial production of selected products, including sawnwood for structural and non-structural uses in construction, parquet and moldings;
- (iv) assessment of species and products likely to meet the requirements of the Japanese and European markets and trade promotion activities in these external outlets; and
- (v) dissemination of project results and findings to professionals in the construction industry through seminars and consultations:
 - seminar on "Utilization of New Species in Timber Construction" (Lima, December 1990, 85 participants);
 - seminar for carpenters and other wood construction workers on "Practical Aspects of Using New Forest Species in Timber Construction" (Lima, February 1991, 100 participants);
 - seminar on "Using New Species in the Timber Industry" (Pucallpa, March 1991, 100 participants);
 - seminar on "Sawdoctoring" (Pucallpa, June 1991);
 - forum on "Timber Opportunities as a Construction Material" (Lima, August 1991, 168 participants); and
 - Technical Consultation on "Timber Properties and Wood Technology" (Lima, August 1991, 60 participants).

The project phase II started in January 1992 and is focussing on further promotion of parquet and molding products and investigating the potential of additional products such as decorative veneers, plywood and wood cement boards. As of June 1992 the following activities had been implemented under Phase II:

- (i) selection of 30 species to be researched and promoted;
- (ii) trial processing of 447 m³ of logs in selected sawmills and veneer mills of Pucallpa;
- (iii) dissemination of results of phase I through four seminars, two convened in Pucallpa and two in Lima;
- (iv) organization in Lima of a workshop on a lesser-known species data bank, in cooperation with project PD 134/91 Rev.2 (I), Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase II;
- (v) establishment of a service to offer information and technical assistance to timber producers and users (SIAT);
- (vi) promotion of the new species through visits to major traders and users and product use follow-up with provision of technical assistance and product performance assessment;
- (vii) printing and dissemination of technical sheets with information on the new species and products;
- (viii) construction of a demonstration building using the new species in the University of la Molina;

- (ix) establishment of a data bank on forest industries timber traders in Peru; and
- (x) planning and design of studies to provide information related to the ecology of species studied in the project.

In October 1992 an independent consultant engaged by ITTO to assist in evaluation and monitoring activities found that the project is being effectively and efficiently administered and the objectives should be met by the end of Phase II, if the project duration is extended approximately six months. The processing trials, training, and promotion aspects are being well performed, providing encouraging results and forming positive attitudes towards the lesser-used species (LUS) in the domestic and international markets.

The project is expected to be completed in early 1993.

- (6) PD 54/89 (I): Study on Utilization Structure of Tropical Timber Products in Korea and Promotion of Processed Wood Products Supply from Tropical Timber Producing Countries

Budget and Funding Sources:

Total	\$123,000
Government of Japan	\$ 73,000
Government of ROK	\$ 50,000 (in kind)

Implementing Agency:

Korean Forest Research Institute

Starting Date and Proposed Duration:

September 1990
2 years (exceeded)

This project is investigating the Korean market for tropical timber and reviewing the country's import and utilization trends. The study is concentrating on the furniture and musical instrument industries and will provide the basis for promoting imports of semi-processed and processed timber products for these industries. To this effect, the project is surveying and assessing the potential of selected producing countries from Africa, Asia/Pacific and Latin America/Caribbean to supply higher value-added parts and components to be used in production lines of furniture and musical instruments mills in the Republic of Korea. The project will also produce valuable information on comparative production advantages and on investment opportunities in further processing enterprises in selected ITTO producing member countries.

A comprehensive work plan has been prepared detailing methods and procedures, personnel inputs, and the budget and time schedule for implementation of activities and sub-activities.

As of September 1992 the following activities had been completed:

- (i) a review of trade statistics and establishment of a data bank for analyzing the structure and trends in the Korean tropical timber import market;
- (ii) review of Korean policies and mechanisms for investment in foreign countries, focussing on the forest products industry;

- (iii) assessment of comparative advantages and investment opportunities for Korean forest industries in 12 major tropical timber producing countries;
- (iv) case studies on Korean industries operating in Indonesia and Malaysia;
- (v) studies on import/export policies of Japan and Indonesia;
- (vi) further studies on the Korean forest industry demand for selected wood products;
- (vii) survey of the Korean timber industry covering 14 plywood mills, 15 sawmills and 35 furniture mills; and
- (viii) collection of information on forest resources, forest industries and investment conditions in major African tropical timber producing countries.

The project will be completed early in 1993.

- (7) PD 60/89 (M,F,I): Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development

Budget and Funding Sources:

Total	\$950,262
Gov't of Japan	\$564,000
Gov't of the Netherlands	\$378,622
Gov't of Australia	\$ 7,640

Implementing Agencies:

ITTO in cooperation with JICA and FAO

Starting Date and Proposed Duration:

July 1989
2 years with annual extensions to 1993

The objective of this project, commonly known as the "Fellowship and Small Grants Programme," is to promote human resources development and institutional strengthening in the forestry sectors of member countries. Activities include the funding of fellowships for short-term activities such as visits to research or educational institutions; participation in seminars, workshops, training courses, and conferences; technology transfer; and preparation of technical documents through authors' contracts.

An independent consultant carried out a review [document PCI(XI)/3] of the project in June, 1992, as requested by the Permanent Committee at its Ninth Session. The consultant examined the individual files of all Fellowships awarded to date (120 plus 1 extension) and prepared detailed tables summarizing the types of study undertaken, and the characteristics of the ITTO Fellows by age, nationality, educational and employment background, geographical distribution, level of award, and session of approval. At the time of the review, 53 fellowships had been completed, 29 were operational, and 39 were still pending commencement.

Among the consultant's recommendations were the appointment of a full or part-time training officer and greater autonomy for the Secretariat between Council Sessions; better publicity; closer targeting of educational level, and regular funding of about \$500,000/year with attention given to avoiding sharp fluctuations in this level.

The Committee at its Eleventh Session in November 1992 reviewed the project in the light of the consultant's report. The Committee supported the consultant's recommendations for improvement in the program and requested the Secretariat to prepare and submit for its consideration at the Twelfth Session a project proposal for continuation of the program [PD 1/93 (M,F,I)]. The Committee decided that the project proposal should provide for:

- (i) continuation and expansion of the program for a sufficiently longer period (e.g. 4-5 years), with an annual allocation of \$ 500,000;
 - (ii) inclusion of provisions for ensuring that quality reports and technical papers produced by fellows financed by the project are published and disseminated in the ITTO Information Series or other appropriate technical publications or journals;
 - (iii) inclusion of the appropriate funds to finance the administration of the expanded fellowship program and control of related matters, from announcement through reporting; and
 - (iv) introduction of measures that will encourage fellowship applications from all producing countries covering the fields of all three Permanent Committees, thus aiming at a more balanced distribution of awarded fellowships by region, country and area of work.
- (8) PD 63/89 Rev.1 (I) Low-Cost Houses from Small-Diameter Trees, Plantation Thinnings and Tree Tops and Branches

Budget and Funding Sources:

Total	\$ 2,465,005.23
Gov't of Japan	\$ 563,654.00
Gov't of the Netherlands	\$ 236,351.23
Gov't of the Philippines	\$ 1,665,000.00(in kind)

Implementing Agency:

Forest Products Research and Development Institute (FPRDI)

Starting Date and Proposed Duration:

April 1991
3 years

This 3-year project is a research and development program to improve processing of logging residues and silvicultural thinnings and their utilization as housing materials. The project is studying low capital and labor intensive technologies to allow the use of these raw materials for manufacturing lumber, finger-jointed pieces, plywood and wood cement/gypsum boards to be used in suitably designed low-cost houses. Appropriate drying and preservation techniques for the construction materials proposed are also being researched.

Model houses will be built with the construction materials generated through this project. A feasibility study on the establishment of small scale community-based enterprises and assessment of socio-economic benefits will follow and complete the program.

The contractual agreement for project implementation was concluded at the end of March 1991 with immediate project commencement. Research is underway in the following subjects:

- (i) sawmilling;
- (ii) preservation;
- (iii) solar drying;
- (iv) finger-jointed columns and beams;
- (v) gluing;
- (vi) grouping species by strength class;
- (vii) suitability of timber species for wood wool cement boards;
- (viii) costing of industrial plantation wood;
- (ix) veneer production from lower quality logs;
- (x) non-conventional methods of drying veneer; and
- (xi) design of housing components from small diameter trees.

The first meeting of the project Steering Committee was held 2 October 1992 with representatives of FPRDI, Department of Environment and Natural Resources, Philippine Wood Producers Association and ITTO.

- (9) PD 73/89 (M,F,I): Assistance for Project Identification and Formulation

Budget and Funding Sources:

Total	\$746,900
Government of Denmark	\$200,000
Government of Japan	\$546,900

Implementing Agency:

ITTO

Starting Date and Proposed Duration:

April 1990
1 year [with extensions approved at ITTC(IX) & (X)]

The objective of this project is to improve project identification and formulation capabilities of the responsible personnel in ITTO producer member countries in order to expand national absorption capacity for investment and aid in the forestry sector.

The importance of the project was recognized in Council Decisions 2(X) and 2(XI), which reminded and encouraged Members to use the expert facility available under the project to enhance their ability to identify and formulate good projects.

Three regional training workshops on project formulation were contracted to the Economic Development Institute of the World Bank for implementation; a trilingual Seminar Director was appointed and the workshop for English-speaking participants took place in Bangkok, February 18 - March 8, 1992, with the support of the ASEAN Agriculture Development Planning Centre (ADPC). Sixteen participants attended from Ghana, Indonesia, Malaysia, Nepal, Papua New Guinea, Philippines, and Thailand. The workshop for French-speaking participants took place in Abidjan, 3-21 June 1991, with the support of the World Bank's Resident Mission in West Africa. Fifteen participants attended from Cameroon, Congo, Côte d'Ivoire, Gabon, Togo, and Zaire. The training workshop for Spanish and Portuguese-speaking participants was held in Quito, Ecuador, 6-24 January 1992.

In addition to earlier work by a consultant in Ecuador and the mission to Papua New Guinea in 1991, upon request from the governments of Côte d'Ivoire, Gabon and Ghana, consultancy missions to assist these countries in the preparation/reformulation of project proposals were carried out in 1992.

In the Forest Industry Committee's Eleventh Session, a decision was taken to recommend to the Council the continuation of the project, with a supplementary allocation of funds amounting to \$ 330,000 earmarked for training workshops on the use of the new Project Preparation Manual and to fund missions to assist in the preparation of selected projects upon request from producing Members. These additional funds are currently pending finance.

(10) PD 93/90 (I): Introduction of Lesser-Known Species in the Amazon Plywood Industry

Budget and Funding Sources:

Total	\$254,540
Government of Japan	\$254,540

Implementing Agency:

Brazilian Association of Plywood Industries - ABIMCE

Starting Date and Proposed Duration:

April 1991
2 years

This 2-year research project is researching and promoting the use of lesser-known species in the plywood industry, mainly as core veneers. Species from both low-lying ("varzeas") and high altitude areas are being tested in production runs in two plywood mills. The trial panels are being analyzed and compared with commercial ones. The physical and mechanical properties and other quality aspects are being assessed in laboratories of existing research institutes. The work also include an economic evaluation of the feasibility of using lesser-known species for veneer and plywood manufacturing.

The field work and industrial trials, including the activities below, had been completed by September 1992:

- (i) preparation of a detailed work plan;
- (ii) literature review;
- (iii) selection of cooperating plywood mills and forest areas;
- (iv) inventory of 350 ha within a production forest of 34,000 ha selected for harvesting dry land ("terra firme") raw material for industrial research;
- (v) logging, veneer production and trial plywood manufacturing with raw materials from 13 dry land species and 16 low land (varzea) species;
- (vi) testing and evaluation of plywood panels; and
- (vii) studies on the economics of using the researched species on an industrial scale.

The results of the project were presented and discussed in the First International Congress on Tropical Timber Plywood being organized by ABIMCE and convened in October 1992 in Manaus, Brazil. The results of industrial tests carried out under the project indicate that 6 out of 22 lesser-known species tested had limited potential for plywood production because of undesirable wood characteristics such as

internal tension or irregular grain. Moreover, use of lesser-known species usually resulted in lower final conversion ratios from log to finished panel, increasing production costs. Though harvesting a larger number of species was found to decrease logging and forest management costs, the reduction will not completely offset the higher production costs resulting from lower finished panel yields.

The project final report and the proceedings of the plywood conference held in Manaus will be made available early in 1993.

- (11) PD 94/90 Rev.3 (I): The Integration of Forest-Based Development in the Western Amazon - Phase II - Technology for Sustainable Utilization of Raw Forest Materials

Budget and Funding Sources:

Total	\$ 3,425,000	
Gov't of Brazil	\$ 1,550,000	(in kind)
Gov't of Japan	\$ 1,575,000	
Gov't of Switzerland	\$ 300,000	

Implementing Agency:

State of Acre Technology Foundation (FUNTAC)

Starting Date and Proposed Duration:

March 1993 (estimated)
3 years

This 3-year project will plan and initiate the industrial processing and utilization of timber and non-timber raw materials to be sustainably produced in the Antimari State Forest (Acre, Brazil). The proposed forest industry development will be based on the results of the socio-economic and environmental studies and preliminary forest management guidelines prepared in the project phase I: PD 24/88 (F), Integration of Forest-Based Development in the Western Amazon - Phase I - Forest Management to Promote Policies for Sustainable Production.

A draft project agreement for Phase II has been prepared. Contractual arrangements are expected to be finalized early in 1993.

- (12) PD 102/90 (I): Development of Waferboard Products from Potential Tropical Wood Species for Building Pre-Fabricated Houses

Budget and Funding Sources:

Total	\$371,858.02	
Government of Japan	\$ 72,480.02	
INPA	\$299,378.00	(in kind)

Implementing Agency:

Amazonia National Research Institute (INPA), Forest Products Department (DPF)

Starting Date and Proposed Duration:

November 1992
18 months

This 18-month project will implement a research program on the utilization of Amazonian tropical species for manufacturing waferboard for construction use. Board will be experimentally produced with three different species. Variables that will be studied are resin content and pressing time. The boards' strength and dimensional stability properties will be analyzed. The experimental boards manufactured under optimum conditions will be used as wall and flooring materials in a prototype house where they will be compared with commercial plywood panels.

The contractual arrangements for project implementation were finalized in October 1992.

(13) PD 108/90 Rev.1 (I): Forest Industry Development Studies

Budget and Funding Sources:

Total	\$535,000
Government of Japan	\$475,000
Government of PNG	\$ 60,000 (in kind)

Implementing Agency:

Forest Authority, Papua New Guinea

Starting Date and Proposed Duration:

July 1992
2 years

This 2-year project is implementing forest industry development studies with a view to assess the possibilities of increasing socio-economic benefits through establishing appropriate forest industries in Papua New Guinea. The project is surveying the existing timber industries of PNG and will follow up with the preparation of a forest industry development plan. This plan will include the implementation of pre-industrial surveys and pre-feasibility studies for the establishment of an integrated sawmill and wood based panel plant, an export wood chipping mill, a MDF plant and a pulp mill.

The project became operational in July 1992. Through international bidding the implementing agency selected an expatriate consultancy company to provide technical assistance (including a forest industry specialist, forest industry policy analyst, and experts for marketing and feasibility studies).

The first meeting of the project Steering Committee was held on 30 September 1992 with participation of representatives of the Forest Authority, National Forest and Conservation Action Program, Forest Industries Association of PNG and ITTO.

(14) PD 109/90 Rev.4 (I): Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Cote d'Ivoire

Budget and Funding Sources:

Total	\$ 2,885,000
Govn't of Japan	\$ 648,000
Govn't of Cote d'Ivoire	\$ 2,237,000 (in kind)

Implementing Agencies:

Societe de Developpement des Plantations Forestieres
Ministry of Agriculture and Animal Resources

Starting Date and Proposed Duration:

March 1993 (estimated)
3 years

This 3-year project will provide Cote d'Ivoire with an overview of the forest resources, forest industries, and timber market on which the planning and execution of a detailed forest sector development plan can be based. A technical and economic assessment of existing timber industries will be carried out to link industry development to sustainable wood supply from five selected forest management units.

A draft project agreement was mailed in September 1992. Contractual arrangements for project implementation have not been finalized.

- (15) PD 133/91 Rev.1 (I): Technological and Dendrological Study on *Schinopsis* (Anacardiaceae) in Chiquitania and the Bolivian Chaco

Budget and Funding Sources:

Total	\$218,125	
Government of Bolivia	\$ 88,225	(in kind)
Government of Japaa	\$129,900	

Implementing Agency:

Forestry Development Center, assisted by the General Directorate of Standards and Technology

Starting Date and Proposed Duration:

July 1992
18 months

This 18-month project will implement a systematic and comprehensive research study on the identification and utilization of the *Schinopsis* species in Eastern Bolivia. The major activities are planned and presented as detailed sub-projects including: (1) natural regeneration, (2) dendrological studies, (3) sampling, (4) preparation of test materials, (5) physical and mechanical tests, (6) anatomical studies, (7) durability studies, (8) determination of tannin contents, (9) assessing and evaluation of results, and (10) a final seminar.

The project became operational in July 1992. The implementing agency appointed two consultants to assist with dendrology and wood technology studies, and has begun planning sampling activities and other field work.

- (16) PD 137/91 Rev.2 (I): Strategy for a Sustainable Wood Industry Sector in Ecuador

Budget and Funding Sources:

Total	\$495,082	
Government of Ecuador	\$ 26,559	(in kind)
Government of Japan	\$268,523	
Government of the U.S.A.	\$200,000	

Implementing Agencies:

Subsecretariat for Forestry and Renewable Natural Resources
Ministry of Agriculture and Livestock, Government of Ecuador

Starting Date and Proposed Duration:

March 1992
11 months

This project is involved in the preparation of a basic plan for the sustainable development of Ecuadorian wood processing industries, based on a reliable assessment of the forest resources in the country and the long-term demand and supply outlook for forest products.

The project became operational in March 1992. The first meeting of the project Advisory Committee was convened in April 1992. The implementing agency through international bidding selected an expatriate consultancy company to carry out the market and forest industry studies, as planned in the project document.

(17) PD 143/91 Rev. 2 (I): Non-Wood Tropical Forest Products: Processing, Trade and Collection

Budget and Funding Sources:

Total	\$374,000
ITTO	\$374,000

Implementing Agencies:

FUNATURA, with the assistance of IBAMA, EMBRAPA, INPA, MPEG, SUDAM, UFPA, and FCAP

Starting Date and Proposed Duration:

March 1993 (estimated)
2 years

This two-year project will study the non-wood forest products of a selected pilot tropical forest area (Tapajos National Forest) in Santarem, in the East Brazilian Amazon. The project will survey potential commercially important products and assess their role in the local and regional economies. The study will also focus on assessment of further processing possibilities aimed at adding value to products which are mostly traded by the local communities with little or no processing. The study is expected to provide valuable information on the role and potential of non-wood forest products as integral and perhaps essential components of sustainable tropical forest management in the Amazon basin.

A draft agreement was mailed in July 1992. Contractual arrangements for project implementation are still pending.

(18) PD 150/91 Rev.1 (I): Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Sub-Region

Budget and Funding Sources:

Total	\$ 1,057,000
Government of Japan	\$ 550,000
INIAA	\$ 507,000 (in kind)

Implementing Agencies:

National Agriculture and Agro-Industrial Research Institute (INIAA), assisted by Forestry Agencies in the Andean Sub-Region countries

Starting Date and Proposed Duration:

February 1993 (estimated)
3 years

The objective of this 3-year project is to harmonize nomenclature for major commercial timber species in the Andean Sub-region and prepare a practical manual for their dendrological and anatomical identification. The study will include work on 100 species identified in the project proposal. The project will also plan and implement training activities to promote proper identification of species and use of harmonized nomenclature.

The contractual arrangements for project implementation were finalized in February 1992, but local arrangements for financial management of project funds were agreed upon only in December 1992.

(19) PD 152/91 Rev.1 (I): Harmonization of Technical Tropical Timber Standards in the Andean Sub-region

Budget and Funding Sources:

Total	\$478,000
Government of Japan	\$316,000
INIAA	\$162,000 (in kind)

Implementing Agencies:

National Agriculture and Agro-Industrial Research Institute (INIAA)
Technical Standards and Industrial Technological Research Institute (ITINTEC)

Starting Date and Proposed Duration:

February 1993 (estimated)
2 years

This 2-year project will promote standardization as a means of improving the quality of Andean tropical timber products and increasing export timber supply and access to consumer markets. The specific objectives of the project (phase I) are:

- to identify the main reasons for the limited use of technical standards for forest products in the Andean Sub-region and to suggest actions to ensure effective use of standards; and
- to promote and encourage the use of the sawnwood grading rules of the National Hardwood Lumber Association (NHLA) in the five Andean Sub-region countries;

The contractual arrangements for project implementation were finalized in February 1992, but local arrangements for financial management of project funds were agreed upon only in December 1992.

- (20) PD 154/91 Rev.2 (I): Integrated Development of Timber and Timber Products Marketing Structure in Ecuador

Budget and Funding Sources:

Total	\$244,000
Government of Japan	\$244,000

Implementing Agency:

INEFAN
Ministerio de Agricultura y Ganaderia del Ecuador

Starting Date and Proposed Duration:

August 1992
18 months

This 18-month project is to study the current timber marketing structure in Ecuador in order to improve commercialization of timber products in the national and international markets.

The contractual arrangements for project implementation were finalized in August 1992, and the project coordinator and main consultants have been appointed by the implementing agency.

- (21) PD 155/91 Rev.2 (I): Seminar on Sustained Forest Industry Development in the Andean Group Countries

Budget and Funding Sources:

Total	\$184,000
Government of Japan	\$ 84,000
Government of the U.S.A.	\$100,000

Implementing Agency:

INEFAN
Ministry of Agriculture, Ecuador

Starting Date and Proposed Duration:

August 1992
1 year

This 1-year project will prepare and convene a sub-regional seminar to promote appropriate policies and measures for the development of sustained forest industries in the Andean countries.

The contractual agreement for project implementation was finalized in August 1992. A project coordinator has been appointed and has prepared a detailed proposal on the seminar program.

- (22) PD 160/91 Rev.2 (I): International Workshop on Improved Utilization of Timber Resources in Southeast Asia

Budget and Funding Sources:

Total	\$141,760
IUFRO	\$ 10,200
Other Donors	\$ 10,200
ITTO	\$121,360

Implementing Agencies:

Forestry Research Institute of Malaysia (FRIM), with the assistance of ITTO and IUFRO

Starting Date and Proposed Duration:

April 1992
10 months

This 10-month project planned and convened an international workshop on improved utilization of timber resources in Southeast Asia, held in Kuala Lumpur 7-11 December 1992. The workshop provided a forum for researchers and representatives of donor agencies to discuss and prepare a work plan and proposals for the implementation of tropical timber research in the following priority areas: utilization of lesser-known species from natural forests; utilization of plantation grown species, utilization of bamboo and rattan; and utilization of wood residues. Conference Proceedings are forthcoming.

- (23) PD 47/88 Rev.3 (I): Utilization of Lesser Used Species as Alternative Raw Materials for Forest-Based Industries

Budget and Funding Sources:

Total	\$ 2,263,992.60
Govn't of the Philippines	\$ 1,500,000.00 (in kind)
ITTO	\$ 763,992.60

Implementing Agency:

The Forest Products Research and Development Institute (FPRDI)

Starting Date and Proposed Duration:

February 1993 (planned)
5 years

This 5-year project will promote the utilization of 20-24 lesser-known species from the Philippines through research and dissemination of information on wood characteristics and technical properties, as well as by manufacturing and testing selected products.

The contractual arrangements for project implementation were finalized in October 1992. The project implementation is expected to commence in February 1993.

(24) PD 107/90 (I): Strategies for Sustainable Wood Industries in Sarawak

Budget and Funding Sources:

Total	\$591,398.50	
State Gov't of Sarawak	\$ 56,821.00	(in kind)
Gov'ts of Japan & Australia	\$462,577.50	

Implementing Agencies:

Ministry of Resource Planning, State Government of Malaysia (through the Forest Department and the Sarawak Timber Industry Development Corporation)

Starting Date and Proposed Duration:

December 1992
13 months

This 13-month project will prepare a sector plan for the development of forest industries in Sarawak. The project will develop the proposed plan through the following steps:

- (i) review and update market studies;
- (ii) determine the current (and currently proposed) capacity of the wood processing industry;
- (iii) determine forest management units and assess their production potential;
- (iv) determine the product mix which will optimize the economic return to the State; and
- (v) recommend changes to enable the forest sector to produce the optimum product mix.

The contractual arrangements for the implementation of this project were finalized in September 1992. The project is expected to become operational in February 1993 with the appointment of the project's main consultants.

(25) PD 179/91 Rev.1 (I): Industrial Utilization and Improved Marketing of Some Ghanaian Lesser-Used Species from Sustainably Managed Forests

Budget and Funding Sources:

Total	\$ 1,134,180	
Government of Ghana	\$ 148,907	(in kind)
Government of Japan	\$ 865,273	
Government of U.S.A.	\$ 120,000	

Implementing Agencies:

Forestry Research Institute of Ghana
Ghana Timber Export Development Board

Starting Date and Proposed Duration:

March 1993 (estimated)
3 years

This three-year project will implement industrial utilization and marketing research activities to promote production, trade and consumption of products manufactured with lesser-used Ghanaian tropical timber species for which inventory data and technical properties information are available. While the project will focus on product development research and market studies, research on the environmental impact of harvesting lesser-used species at various intensity levels will also be included. Dissemination of the technologies developed and other project results to forest industries of Ghana and selected countries in the region will occur through training workshops, seminars, and publications.

A draft project agreement was mailed in August 1992. Contractual arrangements for project implementation were finalized in November 1992.

(26) PD 209/91 Rev.2 (I): Study of Zairian Timber with a View to Promoting Certain Species

Budget and Funding Sources:

Total	\$695,116
Government of Japan	\$695,116

Implementing Agency:

Center for Timber Promotion (Ministry for Environment)

Starting Date and Proposed Duration:

March 1993 (estimated)
5 years

This 5-year project will contribute to restructuring and strengthening the Zairian Center for Timber Promotion and assist with the implementation of research and marketing activities to promote the utilization and trade of lesser-known species found in Zaire. The activities include:

- (i) the renovation and equipping of the CTP office and laboratory facilities;
- (ii) collection and information on Zairian species and establishment of a data bank;
- (iii) implementation of basic research on wood anatomy and mechanical strength;
- (iv) on-the-job training of Zairian staff on timber technology, marketing and data bank operations;
- (v) organization of market promotion events in major domestic outlets; and
- (vi) organization of overseas promotion missions and participation in international timber fairs.

The project agreement was signed by the implementing agency in late November 1992 and contractual arrangements for project implementation are expected to be complete in early 1993.

(27) PD 13/92 (I): First Timber Industrialists Meeting in Central America

Budget and Funding Sources:

Total	\$ 30,000
Central American Forest Industries	\$ 9,000 (in kind)
Government of the U.S.A.	\$ 21,000

Implementing Agencies:

Instituto Nacional de Recursos Naturales Renovables
Tropical Forest Action Plan - Central America

Starting Date and Proposed Duration:

March 1993 (estimated)
6 months

This project will promote interaction between private sector timber industrialists in Central America by convening a regional meeting, as suggested at the TFAP-CA round table held in Honduras in September 1991. The objective of the meeting is to establish a Central American Timber Industrialists Network that will facilitate the horizontal exchange of experiences between the different countries in the fields of management, industrial technology, harvesting and other aspects related to productive forest activities. Five participants from each country in the region will be invited, representing the primary industry, the secondary industry, the cellulose industry, the forest utilization sector, and the government sector. The meeting will be organized by INRENARE through the coordination unit of the TFAP-Panama office, with the assistance of the TFAP-CA office.

A draft project agreement was mailed in July 1992. Contractual arrangements for project implementation have not been finalized.

- (28) PD 20/92 Rev.1 (I): The Identification, Properties and Uses of the Tropical Timber Imported to China from Africa

Budget and Funding Sources:

Total	\$126,700	
Government of China	\$ 40,000	(in kind)
Government of Japan	\$ 86,700	

Implementing Agency:

Research Institute of Wood Industry, Chinese Academy of Forestry

Starting Date and Proposed Duration:

March 1993 (estimated)
3 years

This three-year project will produce technical and promotional material to assist Chinese importers and users to properly identify, process and utilize tropical timbers from Africa. The technical literature on African tropical timbers will be reviewed and technical data will be stored in computers for utilization by interested parties in China. The literature review will be complemented by research on wood anatomy and selected physical properties to be implemented in the laboratories of the Research Institute of Wood Industry.

The project is the second phase of a comprehensive program that includes the study of species from Southeast Asia, Africa, and Latin America/Caribbean.

A draft project agreement was mailed in July 1992. The contractual arrangements for project implementation were finalized in October 1992.

- (29) PD 46/92 (I): World Conference on Tropical Plywood in the Latin America/Caribbean Region

Budget and Funding Sources:

Total	\$238,650	
Government of Ecuador	\$ 5,000	(in kind)
Government of Japan	\$223,650	

Implementing Agency:

Ecuadorian Timber Industrialists Association and
Government Forestry Service

Starting Date and Proposed Duration:

June 1993 (planned)
6 months

This six-month project will organize and convene a World Conference on Tropical Plywood in Quito, Ecuador, in follow-up to a recommendation of the December 1991 World Conference on Tropical Plywood in Asia/Pacific Region [PD 70/89 Rev.2 (I)]. The conference will provide a forum for exchange of information, consultation and cooperation between producers and consumers of tropical plywood and will sponsor participation of 40 representatives from the government and private sectors of ITTO member countries.

The contractual arrangements for project implementation have not been finalized.

4.3 Other Activities

4.3.1 Market Review and Outlook

In 1988 the ITTO decided to institute annual market and industry discussions to provide the opportunity for a broad exchange of views among its members, trade and industry associations and conservation NGOs, in addition to strengthening the role of the Council in its work of monitoring and reviewing the tropical timber situation in accordance with Article 28 of the ITTA.

The main theme of the 1992 Market Review and outlook was "Lesser Known Species and Sustainable Forest Management and Trade in Tropical Timber Products." The structure of the 1992 Market Review is outlined in Section 2.3.2.

ANNEX 1

STATUS OF MEMBERS AS AT 31 DECEMBER 1992

<u>Member</u>	<u>Provisional Signature</u>	<u>Provisional application</u>	<u>Ratification, accession (a), acceptance (A) approval (AA)</u>
Australia			16 Feb 1988
Austria			6 Mar 1986 (a)
Belgium/Luxembourg	29 Jun 1984	28 Sep 1984	21 Feb 1986
Bolivia	1 Nov 1984	25 Jun 1985	
Brazil	31 Mar 1985	31 Mar 1985	
Cameroon	15 Apr 1985	14 Jun 1985	19 Nov 1985
Canada			21 May 1986 (a)
China			2 Jul 1986 (a)
Colombia			27 Mar 1990 (a)
Congo	7 Mar 1985		28 Mar 1985
Côte d'Ivoire	27 Mar 1985	27 Mar 1985	
Denmark	29 Jun 1984		28 Sep 1984
Ecuador	31 Mar 1985	31 Mar 1985	19 Jan 1988
Egypt	31 Mar 1985	31 Mar 1985	16 Jan 1986
European Economic Community	29 Jun 1984	29 Mar 1985	
Finland	10 May 1984		13 Feb 1985
France	29 Jun 1984	29 Jun 1984	6 Aug 1985 (AA)
Gabon	26 Sep 1984	19 Mar 1985	18 Nov 1988
Germany	29 Jun 1984	29 Jun 1984	21 Mar 1986
Ghana	29 Mar 1985		29 Mar 1985
Greece	29 Jun 1984	28 Nov 1984	26 Jul 1988
Guyana			7 Oct 1992 (a)
Honduras	27 Sep 1984	29 Mar 1985	
India			19 Feb 1986 (a)
Indonesia	13 Jun 1984		9 Oct 1984
Ireland	29 Jun 1984		4 Oct 1984
Italy	29 Jun 1984		29 Mar 1985
Japan	28 Mar 1984		28 Jun 1984 (A)
Liberia	8 Mar 1984		29 Mar 1985
Malaysia	14 Dec 1984		14 Dec 1984
Nepal			3 Jul 1990 (a)
Netherlands	29 Jun 1984	20 Sep 1984	29 May 1987 (A)
New Zealand			5 Aug 1992 (a)
Norway	23 Mar 1984		21 Aug 1984
Panama			3 Mar 1989 (a)
Papua New Guinea			27 Nov 1986 (a)
Peru	31 Mar 1985	31 Mar 1985	
Philippines	31 Mar 1985	31 Mar 1985	
Portugal			3 Jul 1989 (a)
Republic of Korea			25 Jun 1986 (a)
Spain	27 Feb 1985	24 Apr 1985	1 Apr 1986
Sweden	23 Mar 1984		9 Nov 1984
Switzerland	30 Apr 1985		9 May 1985
Thailand			9 Oct 1985 (a)
Togo			8 May 1990 (a)
Trinidad & Tobago	29 Apr 1985		9 May 1986
Union of Soviet Socialist Republics	28 Mar 1985		20 May 1985 (A)
United Kingdom	29 Jun 1984		18 Sep 1984
United States of America	6 Apr 1985	26 Apr 1985	25 May 1990 (A)
Zaire			20 Nov 1990 (a)

/ ...

ANNEX 2

PROFESSIONAL MEMBERS OF THE ITTO SECRETARIAT
AS AT 31 DECEMBER 1992

- Dr. B.C.Y. Freezailah
Executive Director
- Mr. J.E.K. Aggrey-Orleans
Assistant Director
Economic Information and Market Intelligence
- Dr. Manoel Sobral Filho
Assistant Director
Forest Industry
- Mr. Lachlan A.J. Hunter
Assistant Director
Management Services
- Mr. David S. Cassells
Assistant Director
Reforestation and Forest Management
- Mr. Gary R. Burniske
Conservation Officer
Reforestation and Forest Management
- Mr. Takeichi Ishikawa
Projects Manager
Forest Industry
- Dr. Steven E. Johnson
Statistician
Economic Information and Market Intelligence
- Mr. Charas Mayura
Finance/Administrative Officer
Management Services
- Mr. Emmanuel Ze Meka
Projects Manager
Reforestation and Forest Management
- Mr. John J. Leigh
Systems Analyst
Economic Information and Market Intelligence

ANNEX 3

1992 ITTO PUBLICATIONS

General Information

1. GI-4 ITTO Manual for Project Formulation
2. GI-5 ITTO Manual for Project Monitoring, Review and Evaluation, 1992
3. GI-6 Annual Report, 1991
4. GI-7 1991 Annual Review and Assessment of the World Tropical Timber Situation, 1992
5. GI-8 ITTC Session Report & Committee Reports: ITTC XII & PC X, Yaoundé, Cameroon, May, 1992

ITTO Technical Series

6. TS-6 Planning Forest Industries in Developing Countries
7. TS-7 Beyond the Guidelines - An Action Program for Sustainable Management of Tropical Forests, Proceedings of the Conference of Senior Foresters, Yokohama, Japan, 23-26 July 1991
8. TS-8 World Conference on Tropical Plywood in Asia Pacific Region, Seminar Proceedings, Jakarta, Indonesia, 11-19 December 1991

ITTO Policy Development Series

9. PS-3 Criteria for the Measurement of Sustainable Tropical Forest Management

Pre-Project Reports

10. PPR-25 PPR 25/92 (I) Feasibility Study on Programme to Support Sustainable Management of the African Forests Producing Industrial Timber in order to Better Enhance their Potentiality (English version does not include annexes)
11. PPR-26 PPR 26/92 (I) Feasibility Study of a Program to Strengthen ITTO Activities in Latin America/Caribbean through the Services of a Field Officer

Project Reports

12. PR-7 PD 66/89 (M) The North American Market for Tropical Timber, 1992

Other Publications

13. OP-5 Training in Planning and Management of Forest Industries in Developing Countries: Text and Slide Presentation
14. OP-7 Not by Timber Alone
15. OP-8 Conserving Biological Diversity in Managed Production Forests
16. OP-9 The Economic Linkages between the International Trade in Tropical Timber and the Sustainable Management of Tropical Forests, Main Report and Annex A-K

Serial Publications

17. Market New Service (Started in June 1990) Bi-weekly
18. ITTO Forest Management Update (Started in April 1991) Quarterly

Note: Most ITTO publications (roughly 80%) are done in house (Re: Editing, Lay-out, typography and reproduction)

ANNEX 4

SCHEDULE OF OFFICAL TRAVEL AND PARTICIPATION AT CONFERENCES

1. Administration

Executive Director

- 8 - 24 February 1992 Attended and addressed the Fourth World Congress on National Parks and Protected Areas, in Caracas, Venezuela. Visited Bolivia for informal consultations on projects implementation. Addressed the Eighth Session of the United Nations Conference on Trade and Development held in Cartagena de Indias, Colombia
- 22 - 30 April 1992 Attended and addressed the Second Ministerial Conference of Developing Countries on Environment and Development held in Kuala Lumpur, Malaysia
- 1 - 18 May 1992 Twelfth ITTC Session in Yaoundé, Cameroon
- 23 May - 18 June 1992 Attended and addressed FOREST '92 in Rio de Janeiro, Brazil. Visited Honduras for consultations with Government authorities. Visited Trinidad and Tobago for informal consultations with relevant authorities. Attended and addressed the United Nations Conference on Environment and Development held in Rio de Janeiro, Brazil.
- 21 - 27 September 1992 Attended the Informal Working Group Meeting on Renegotiation of ITTA, 1983, in Washington, D.C.
- 25 - 30 October 1992 Attended and addressed the annual meeting of the Society of American Foresters, Richmond, U.S.A.
- 6 - 15 December 1992 Preparations for the Fourteenth Session of the ITTC and Twelfth Sessions of the Permanent Committees, and consultations with relevant authorities in Kuala Lumpur and Kuching.

Assistant Director for Management Services

- 1 - 11 January 1992 To deliver introductory lecture at the PD 73/89 (M,F,D) Workshop on Project Formulation, Quito, Ecuador
- 23 April - 18 May 1992 To service the Twelfth Session of the ITTC, Yaoundé, Cameroon.
- 6 - 13 December 1992 Preparation mission for the Second Preparatory Committee Meeting in Quito to be held from 22 to 30 January 1993.

Finance/Administrative Officer

- 23 April - 18 May 1992 To service the Twelfth Session of the ITTC and Tenth Sessions of the Permanent Committees, Yaoundé, Cameroon.
- 6 - 10 December 1992 Preparatory mission for holding the Fourteenth Session of the ITTC and Twelfth Sessions of the Permanent Committees to be held in Kuala Lumpur from 11 to 19 May 1993.

2. Economic Information and Market Intelligence

Assistant Director

- 15 - 23 January 1992 Mission to Zaire, Congo, Gabon and Côte d'Ivoire for consultations with the Governments on strengthening cooperation with ITTO.
- 29 January - 1 February 1992 Represented ITTO at Meeting of the Consultative Committee of the Common Fund, Amsterdam, Netherlands.
- 17 - 21 February 1992 Assisted in organizing ITTO Workshop on Issues Related to Incentives to Promote Sustainable Development of Tropical Forests through Trade, Melbourne, Australia.
- 2 March - 4 April 1992 Attended Fourth Session of the Preparatory Committee for the UN Conference on Environment and Development, New York.
- 25 - 29 April 1992 Attended Ministerial Conference of Group of 77 on Environment and Development, Kuala Lumpur, Malaysia.
- 6 - 14 May 1992 Attended and serviced the Tenth Session of the Permanent Committees and Twelfth Session of the ITTC, Yaoundé, Cameroon.
- 17 - 20 May 1992 Participated in TFAP Forestry Advisers Meeting in Dublin, Ireland.
- 24 - 29 May 1992 Participated in the Forest '92 Forum in Rio de Janeiro, Brazil.
- 29 May - 2 June 1992 Participated in Pre-Sessional Consultations of UN Conference on Environment and Development, Rio de Janeiro, Brazil.
- 3 - 14 June 1992 Attended UN Conference on Environment and Development, Rio de Janeiro, Brazil.
- 7 - 9 September 1992 Represented ITTO at Second CIB International Conference on Tropical and Hardwood Timber Structures, Kuala Lumpur, Malaysia.
- 24 - 25 September 1992 Serviced Meeting of Informal Working Group on Renegotiation of ITTA, 1983, Washington, D.C., USA.
- 12 - 16 October 1992 Represented ITTO at Workshop on Women and Forestry, Accra, Ghana.
- 22 and 25-27 November 1992 Organized the ITTO Seminar and Study Tours in Hakone and Hiroshima, Japan.
- 5 - 12 December 1992 Represented ITTO at the International Symposium on Industrial Use of Bamboo, Beijing, China

Statistician

- 12 - 24 February 1992 Assisted in organizing the ITTO Workshop on Incentives under PD 82/90 (M), Melbourne, Australia.
- 1 - 17 May 1992 Serviced the Twelfth Session of the ITTC, Yaoundé, Cameroon.
- 27 - 30 June 1992 Visited Wageningen, Netherlands, for mid-term monitoring and evaluation of PD 158/91 Rev.1 (M).
- 5 - 12 December 1992 Participated in the International Symposium on Industrial Use of Bamboo organized under PD 124/91 Rev. 1 (M), Beijing, China

Systems Analyst

- 1 - 17 May 1992 Serviced the Twelfth Session of the ITTC, Yaoundé, Cameroon
- 9 August - 4 September 1992 Orientation visits to :
- Rome, Italy (FAO)
 - Geneva, Switzerland (UNCTAD, ITC, ECE and ICC)
 - Washington D.C., USA (US Forest Service and World Bank)
 - Oxford, U.K. (Consultations on Prospect Database project)
 - Bogota, Colombia (Consultations on arrangements with INDERENA concerning the training workshop for Spanish-speaking Latin American members under Project PD 118/90 [M])
 - Lima, Peru (Project monitoring and evaluation)

3. Reforestation and Forest Management

Assistant Director for Reforestation and Forest Management

- 26 January - 9 February 1992 Visit to Jakarta for ITTO Consultative Visit on Forest Fire and Project Monitoring and Evaluation Missions for PD 84/90 (F) and PD 89/90 (F).
- 9 - 11 February 1992 Genting Highlands Malaysia for Project Review Workshop for Asia-Pacific trial for PD 86/90 (F).
- 12 - 13 February 1992 Bandung Indonesia for Inter-Agency Workshop on Fire Management in Indonesia.
- 14 - 15 February 1992 Genting Highlands Malaysia for Synthesis Workshop on the Future Conduct of PD 86/90 (F).
- 16 - 18 February 1992 Manila for Discussions with the Department of Environment and Natural Resources on the Future Conduct of PD 149/90 Rev.3 (F)
- 7 - 9 March 1992 Okinawa for Steering Committee Meeting for PD 114/90 (F).
- 28 April - 17 May 1992 Yaoundé Cameroon for the Twelfth Session of the ITTC.
- 18 - 23 May 1992 Travel to Madras India for Trainees Graduation Ceremony and Steering Committee Meeting for PD 157/91 Rev.2 (F).

- 5 - 22 June 1992 Travel to La Paz Bolivia for Round Table and Subsequent Negotiations re the Future Conduct of PD 34/88 Rev.1 (F,D).
- 16 - 21 August 1992 Forest Research Institute Kuala Lumpur Malaysia for Mid-Term Review of the ITTO Activity on the Economic Case for Natural Forest Management.
- 5 - 22 September 1992 Monitoring and Evaluation Visit to Brazil for PD 68/90 Rev.1 (F), PD 97/90 Rev.1 (F) and PD 99/90 Rev.1 (F).

Conservation Officer for Reforestation and Forest Management (initiated work with ITTO on 1 October 1992)

- 10 - 17 October 1992 Attend Workshop on Southeast Asia Tropical Rainforest in Sarawak, Malaysia and subsequent visits to field sites.
- 1 - 21 December 1992 Monitoring and Evaluation Visits and Steering Committee Meetings in Brazil for PD 68/90 Rev.1 (F), PD 97/90 Rev.1 (F) and PD 99/90 Rev.1 (F).

Projects Manager for Reforestation and Forest Management

- 6 - 22 February 1992 Project Formulation Mission to Cote d'Ivoire for PD 109/91 and PD 174/91.
- 23 April - 17 May 1992 Yaoundé Cameroon for the Twelfth Session of the ITTC.
- 17 May - 1 June 1992 Project Formulation Missions in Gabon for PD 36/92, PD 37/92 and PPD 6/92.
- 12 - 31 July 1992 Steering Committee Meetings and Monitoring Visits in Cameroon and Ghana for PD 53/89, PD 131/91, PD 132/91, PD 52/89, PD 74/90, PD 75/90, PD 119/91 and PPD 1/92.
- 8 October - 2 November 1992 Project Formulation Mission to Congo (PD 2/93, PD 3/93 and PPD 1/93).
- 20 - 31 December 1992 Project Monitoring Visits to Cameroon for PD 52/89, PD 131/90 and PD 132/91.

4. Forest Industry

Assistant Director

- 17 - 22 January 1992 Attended the Advisory Group Meeting under Project PD 134/91 Rev.1 (M,D) "Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase II" in Oosterbeek, the Netherlands.
- 1 - 10 March 1992 Represented ITTO in the Eighth Meeting of the Conference of the Parties of CITES, in Kyoto, Japan.
- 6 - 14 May 1992 Served the Tenth Session of the Forest Industry Committee in Yaoundé, Cameroon.

- 20 May - 12 June 1992 Accompanied the Executive Director in a visit to Honduras and Trinidad Tobago; participated in the UNCED Conference on Environment and Development in Rio de Janeiro, Brazil.
- 17 October - 1 November 1992 Monitored Forest Industry projects in Quito, Ecuador, and in Brasilia and Manaus, Brazil.
- 6 - 13 December 1992 Participated in a Workshop under Project PD 160/91 Rev.2 (I) "International Workshop on Improved Utilization of Timber Resources in Southeast Asia" in Kuala Lumpur, Malaysia and attended a Meeting of the Advisory Committee of Project PD 107/90 (I) "Strategies for Sustainable Wood Industries in Sarawak" in Kuching, Sarawak, Malaysia.
- Projects Manager*
- 23 - 27 February 1992 Participated in the Round Table Type III Meeting of the Indonesia Forestry Action Program in Yogyakarta, Indonesia.
- 1 - 19 May 1992 Served the Tenth Session of the Forest Industry Committee in Yaoundé, Cameroon.
- 26 September - 3 October 1992 Participated in the Steering Committee Meetings of the Projects PD 63/89 Rev. 1 (I) " Low-Cost Houses from Small Diameter Trees" in Laguna, Philippines and PD 108/90 (I) "Forest Industry Development Studies" in Port Moresby, Papua New Guinea.

ANNEX 5

CONTRIBUTIONS TO THE SPECIAL ACCOUNT DURING FINANCIAL YEAR 1992
(in U.S. dollars)

	1992	1991
PRE-PROJECT SUB-ACCOUNT:		
Australia	\$30,340.00	
Denmark	\$95,000.00	
The Netherlands	\$81,229.71	
Norway	\$25,000.00	\$222,666.36
Switzerland		\$70,000.00
United Kingdom	\$106,619.15	\$100,835.00
U.S.A.	\$50,000.00	
Union pour le Commerce des Bois Tropicaux dans la CEE (UCBT)	\$30,000.00	
Private - Pilot Club of Yokohama	\$2,265.42	
Total:	\$420,454.28	\$393,501.36
PROJECT SUB-ACCOUNT		
Australia	\$68,415.21	
Denmark	\$200,000.00	
France	\$293,444.92	\$197,086.53
Japan (*)	\$10,426,164.00	\$9,636,130.72
The Netherlands	\$121,407.11	\$110,000.00
Norway	\$35,000.00	\$232,721.50
Switzerland	\$637,125.00	\$336,155.00
Sweden	\$333,468.03	
United Kingdom	\$136,400.00	
U.S.A.	\$904,000.00	\$954,000.00
Japan Lumber Importers Association (JLIA)	\$76,170.00	\$78,809.00
Asian Tropical Timber Organization (ATTO)	\$5,000.00	
Private - Ito Yokado Corp.		\$382,848.39
Private - Christian Association, Japan		\$279.31
Total:	\$13,236,594.27	\$11,928,030.45

(*) Part of funds were later allocated to Pre-Project Sub-Account.

ANNEX 6

ADMINISTRATIVE BUDGET - 1993

Estimated Expenditures for the Financial Year 1993
(in United States dollars)

[Post Adjustment Multiplier: 133.4; U.N. Rate of Exchange US\$1.00 = Yen 132]

		<u>Estimated Total</u>
A. SALARIES AND BENEFITS		
A1.	Salaries	1,136,607
A2.I	Staff Assessment	108,433 1*/
A3.	Post Adjustment	814,518
A4.	Rental Subsidy	117,453
A5.	Education Grant (incl. Education Travel)	148,551
A6.	Dependency Allowance	59,441
A7.	Home Leave	62,460
A8.	Language Allowance	4,000
A9.	Overtime	40,000
A10.	Mobility & Hardship Allowance	19,114
A11.	Separation Benefits	0
A12.	Removal Costs	0
A13.	Repatriation/Recruitment Travel	0
Component Total:		\$2,402,144
B. INSTALLATION COSTS		
B1.	Assignment Grant	39,735
B2.	Lumpsum Benefit	43,775
Component Total:		\$83,510
C. OFFICIAL TRAVEL		
C1.	Transportation/Tickets	151,900
C2.	DSA & Travel Expenses	77,560
Component Total:		\$229,460
D. SOCIAL SECURITY		
D1.	Provident Fund	216,522
D2.	Accident/Health Insurance	24,661
D3.	Japanese National Scheme	44,780
Component Total:		\$285,963

*/ Payable by Japan (not included in total estimates) and applied to Staff Members who are Japanese nationals or permanent residents in Japan only.

		<u>Estimated Total</u>
E.	SPECIAL ACTIVITIES	
E1.	Consultants	80,000
E2.	Workshops and Meetings	80,000
E3.	Other Activities	-
	Component Total:	<u>\$160,000</u>
F.	DATA PROCESSING	
F1.	Computer Software and Servicing	23,000
F2.	Communications, User Charges and Supplies	40,000
F3.	Training and Staff Development	10,000
	Component Total:	<u>\$73,000</u>
G.	OTHER COSTS	
G1.	Communications	75,000
G2.	Publications	60,000
G3.	Transport	30,000
G4.	Library	20,000
G5.	Supplies	65,000
G6.	Hospitality	20,000
G7.	Bank Charges	25,000
G8.	Audit	45,000
G9.	Miscellaneous	10,000
	Component Total:	<u>\$350,000</u>
H.	COUNCIL MEETINGS	
H1.	Costs not met by Japan	25,000
	Component Total:	<u>\$25,000</u>
I.	COSTS MET BY JAPAN	
I1.	Office, Equipment, Utilities	**/
I2.	Council Meetings	**/
I3.	Initial Travel	**/
I4.	Removal Costs	**/
I5.	Supporting Staff	**/
	Component Total:	<u>**/</u>
J.	CONTINGENCY SPECIAL/RESERVE	--
	Component Total:	<u>--</u>
	GRAND TOTAL:	<u><u>\$3,609,077</u></u>

**/ Paid directly or reimbursable by Japan based on actual expenditures.

CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGET FOR 1993

<u>PRODUCER MEMBERS</u>	<u>Contribution</u>
Africa	
Cameroon	47,600
Congo	45,900
Côte d'Ivoire	47,600
Gabon	47,600
Ghana	45,900
Liberia	45,900
Togo	45,900
Zaire	47,600
Asia & Pacific	
India	64,600
Indonesia	302,600
Malaysia	249,900
Papua New Guinea	54,400
Philippines	54,400
Thailand	40,800
Latin America	
Bolivia	47,600
Brazil	256,700
Colombia	52,700
Ecuador	34,000
Guyana	34,000
Honduras	25,500
Panama	27,200
Peru	56,100
Trinidad & Tobago	25,500
SUB-TOTAL:	\$1,700,000

<u>CONSUMER MEMBERS</u>	<u>Contribution</u>
Australia	32,300
Austria	18,700
Canada	20,400
China	51,000
Egypt	25,500
European Community	
Belgium/Luxembourg	45,900
Denmark	18,700
France	79,900
Germany	62,900
Greece	22,100
Ireland	22,100
Italy	64,600
Netherlands	74,800
Portugal	30,600
Spain	44,200
United Kingdom	85,000
Finland	18,700
Japan	588,200
Nepal	17,000
New Zealand	17,000
Norway	18,700
Rep. of Korea	161,500
Russian Federation	23,800
Sweden	18,700
Switzerland	18,700
U.S.A.	119,000
	<hr/>
SUB-TOTAL:	\$1,700,000
	<hr/>
GRAND TOTAL:	\$3,400,000
	<hr/> <hr/>
