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Yaoundé, Cameroon

**REPORT OF THE
INTERNATIONAL TROPICAL TIMBER COUNCIL
AT ITS THIRTIETH SESSION**

Yaoundé, Cameroon

28 May – 2 June 2001

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REPORT

OPENING OF THE SESSION (Agenda Item 1)

1. The Thirtieth Session of the International Tropical Timber Council was opened by the Chairperson of the Council, Dra. Josefina Takahashi Sato (Peru). In her opening address, the Chairperson welcomed delegates to the Thirtieth Session and on behalf of the Council expressed gratitude and appreciation to the Government and people of Cameroon for the warm hospitality accorded to delegates. She expressed her sincere thanks to the Prime Minister of Cameroon, Honourable Mr. Peter Mafamy Musongue, for honouring the occasion with his presence. She also acknowledged the participation of Ministers of Forests from Côte d'Ivoire, Congo and Ghana.
2. The Chairperson recalled the immense contribution being made by ITTO to the sustainable management of tropical forests and reaffirmed to the international community the commitment by ITTO Members to move as swiftly as possible to achieve the ITTO Objective 2000. She called for the promotion of strategic alliances to harness technical and financial resources, develop programmes and activities oriented towards sustainable management and conservation of natural resources as a foundation of sustainable socio-economic development.
3. The Chairperson emphasized that poverty eradication and sustainable development were the key goals under the world agenda which must be achieved in the immediate future to ensure that natural resources were conserved. She called for an integrated and sustainable approach to the management of forest resources as the basis for development, and recognized the role played by ITTO to achieve this objective. She, however, indicated that sustainable development activities should be more direct and immediate and there was the need for more viable mechanisms and commitment by all ITTO Member States as well as financial institutions.
4. Dra. Josefina Takahashi Sato said that actions aimed at strengthening ITTO's presence at the international and regional levels were required to demonstrate in an effective and efficient manner that the sustainable use of tropical forest resources would not threaten their conservation. She indicated that the increased presence of ITTO in the international arena would allow the Organization to provide more direct and on-going support to tropical forest Member countries, promoting the development and implementation of forest policies and guidelines, the development of institutional capacity, and the efficient implementation of ITTO-funded projects in close and on-going coordination with national and international bodies operating in tropical forest countries.
5. The Chairperson indicated that considering the significance of initiating these measures, it was necessary to provide the ITTO Secretariat with adequate financial and structural resources, as it should be recognized that – although efficient – the ITTO Secretariat was small and would require essential resources and technical support to establish a minimal regional presence and ensure adequate participation in the relevant fora. She mentioned that the cost involved would not be significant considering the potential benefits that could be derived. She indicated further that increased efficiency in the implementation of ITTO-funded projects in Member countries would lead to savings in financial resources.
6. In his address to the Council, the Mayor of the City of Yaoundé, Mr. Emah Basile expressed his gratitude to the Council for choosing Yaoundé as the venue for the Thirtieth Session of the ITTC. He briefed Council about the Yaoundé Declaration and the commitment made by the nine (9) Heads of States of the countries of the Congo Basin to achieve the sustainable management of their forests.
7. H.E. Mr. Sylvestre Naah Ondoa, Minister of Forest and Environment of Cameroon, in his address welcomed all delegates to Yaoundé. He indicated that Cameroon was deeply honoured to host the ITTC for the second time. He expressed his gratitude to the ITTO for financing a number of projects in Cameroon, which was an indication of the close ties between Cameroon and ITTO. He mentioned that forests continued to play a vital role in the economy of Cameroon.
8. He briefed Council about Cameroon's forest law of 1994, promulgated within the framework of the national forestry programme. H.E. Mr. Sylvestre Naah Ondoa spoke about the "Yaoundé

Declaration" which called for the establishment of a mechanism for the sustainable development of forests in the central African sub-region, which had been acknowledged by the 54th General Assembly of the United Nations.

9. H.E. Dr. Kwaku Afriyie, Minister of Lands, Forestry and Mines of Ghana reaffirmed Ghana's commitment to sustainable forest management as well as the objectives of the International Tropical Timber Agreement. He briefed Council on some of the measures being undertaken by Ghana to achieve ITTO Objective 2000. He indicated that the cost of promoting sustainable forest management in Ghana had been formidable and called on ITTO to devise strategies to motivate producing countries which were currently pursuing sustainable forest management programmes to stay on path.
10. In his address to the Council, H.E. Mr. Henri Djombo, Minister of Forestry Economy of the Republic of Congo spoke about the lack of investment funds for sustainable management of forests in Africa which affected the quality and volume of forest products as well as the skill of the workforce. He also cited unfair international trade practices as contributing to unsustainable management of forests. H.E. Mr. Henri Djombo stated that, the African Timber Organization (ATO) had undertaken different strategies for the sustainable development of forests aimed at the promotion of downstream processing of timber as well as promotion of inter-African market for timber products. He praised the current level of cooperation between ATO and ITTO and called for further cooperation between the two Organizations. He re-assured Congo's bilateral and multilateral partners that the political situation in the Congo had improved following the signing of a peace agreement in 1999.
11. H.E. Ms. Angèle Boka Agoussi, Minister of Water and Forests of Côte d'Ivoire expressed gratitude to the Government of Cameroon for accepting to host the Thirtieth Session of the Council after Côte d'Ivoire withdrew its offer to host the Session. She briefed Council about the significant progress made by Côte d'Ivoire in achieving ITTO Objective 2000, and expressed her gratitude to ITTO and all donors for the financial support. The Minister spoke about the need for ITTO to assist Producer Members to achieve the Objective. She called for a clear definition of the impact of certification on the purchase price of certified forest products and suggested that ITTO should address the issue.
12. In his keynote address, H.E. Mr. Peter Mafany Musongue, Prime Minister of Cameroon said that forests did not only provide timber or wood but also essential resources for the survival of humanity as a whole. He called on the international community to ensure rational management of forest resources. He informed the Council that for the last ten years, Cameroon had endowed itself with indispensable and necessary tools for a sustainable management of her forest resources. He cited the establishment of the Ministry of Environment and Forestry, the National Forestry Development Board and the promulgation of the New Forest Policy as some of the new tools for the sustainable management of Cameroon's forests. He expressed his gratitude to ITTO and all the development partners who had been assisting Cameroon in implementing its programmes. He spoke about the Yaoundé Process which focused on the harmonization of forestry policies, management and the development of forest resources as well as the setting up of trans-boundary protected areas which were in line with ITTO's activities and priorities, and thus represent reliable areas of cooperation.
13. The Prime Minister called on ITTO to develop a synergy of actions with all the other international organizations working in the Central African sub-region especially, the World Bank, FAO, GEF and the European Union to ensure the success of the Yaoundé Process.

ASCERTAINMENT OF THE QUORUM (Agenda Item 2)

14. The Executive Director, Dr. Manoel Sobral Filho, reported that the Quorum for the Thirtieth Session of the ITTC had been met (Annex I of this document provides a full list of participants).

ADOPTION OF AGENDA AND ORGANIZATION OF WORK (Agenda Item 3)

15. The Chairperson referred to document ITTC(XXX)/1 and invited comments from the Council. In the absence of any comments from Members, the provisional agenda was adopted (Annex II)

MEMBERSHIP OF THE COUNCIL (Agenda Item 4)

16. The Executive Director reported that there had been no change in the membership of the Council. The total membership remained fifty-six (56), comprising thirty (30) producers and twenty-six (26) consumers, including the European Community (Membership of the Council is attached as Annex III).

REPORT OF THE CREDENTIALS COMMITTEE (Agenda Item 5)

17. The report of the Credentials Committee was presented by the Chairperson of the Committee, Dra. Angela Andrade (Colombia).
18. She referred to document ITTC(XXX)/3 and reported that the Committee was composed of representatives from Colombia, Gabon, Indonesia, Thailand, France, Germany, Switzerland and U.S.A. The Committee met on 30 May 2001 and examined and accepted the credentials of 38 countries and the European Community which participated in the Thirtieth Session of the ITTC and the Sessions of the Associated Committees.

PROPOSED DISTRIBUTION OF VOTES (Agenda Item 6)

19. The Chairperson referred to document ITTC(XXX)/1. She informed the Council that in accordance with Article 19(4) of the ITTA, 1994, the proposed distribution of votes would be used for the assessment of the contribution of each Member to the Administrative Budget for 2002.
20. Ms. Candy Green (U.S.A.) informed the Council that the reporting responsibility of the United States with respect to forest products imports and exports had shifted from one Government Agency to another that had resulted in a change in some aspects of the data. She indicated that the United States was investigating the accuracy of the data submitted to the Secretariat and therefore the US delegation were not in the position to confirm their agreement to the proposed distribution of votes until the November Session. She, however, mentioned that in conformity with the ITTA, 1994, which required that the distribution of votes be approved by Council at the May Session, the US delegation would do so provisionally, with a notation that the issue be revisited at the November Session with the possibility of a review.
21. Prof. Chen Xuhe (China) mentioned that the votes for China had increased substantially as compared to the votes of previous years and requested the Secretariat to provide the details. He, however, indicated that because of the tight schedule of the Session, China would provisionally agree to the distribution of votes on condition that the issue be revisited in due course.
22. The Executive Director reported to the Council that the Secretariat had been in contact with the Governments of China and United States on their respective votes. He explained that votes for consumer Members were calculated on the basis of imports of consumers. He mentioned that there were often discrepancies between the various agencies that dealt with such data and pointed out that, according to Articles 29 and 30 of ITTA, 1994, the Secretariat primarily used data supplied by Members as well as reliable data and information on the trade in tropical timber from relevant intergovernmental, governmental and non-governmental organizations. He also mentioned that at times there were so much inconsistencies in the data supplied by Members and the Secretariat had to consult with the Governments about the reliability and accuracy of such data. The Executive Director agreed with the proposal made by the delegation of the United States that the proposed distribution of votes be approved with a provision to possibly revisit the issue at the November Session.
23. The Chairperson called on the Council to approve the proposed distribution of votes with the provision that the issue be revisited at the November Session as requested by the United States and China.

ADMISSION OF OBSERVERS (Agenda Item 7)

24. The Chairperson drew Council's attention to document ITTC(XXX)/Info.3 which listed states, inter-governmental and non-governmental organizations applying for Observer status. The Council decided to admit all applicants.

STATEMENT BY THE EXECUTIVE DIRECTOR (Agenda Item 8)

25. The Executive Director welcomed delegates to the Thirtieth Session. He recalled that the Twelfth Session of the Council was held in Yaoundé in 1992 and mentioned that it was the first time in the history of the Organization that the Council had returned to a country to convene its May Session.
26. Dr. Sobral was particularly thankful to the Prime Minister, H.E. Mr. Peter Mafany Musongue, for gracing the Session with his presence. He also acknowledged the participation of H.E. Mr. Henri Djonbo, the Minister for Forestry Economy of the Republic of Congo, H.E. Ms. Angèle Boka Agoussi, the Minister for Water and Forests of Côte d'Ivoire, and H.E. Dr. Kwaku Afriyie, the Minister for Lands, Forestry and Mines of Ghana.
27. The Executive Director said that ITTO recognized that one of the main causes of poor management and forest destruction was poverty and that although people in tropical nations shared with the global community the benefits of forest protection, they also had the right to use their forests directly to improve their lives. He indicated further that the timber trade and industry could therefore play a positive role in forest conservation by adding value to the forest resource, thereby providing Producing Countries with export revenue.
28. Dr. Sobral mentioned that ITTO had funded some thirty-five (35) "Demonstration" forest projects to answer the crucial question about the technical and financial feasibility of sustainable forest management. He also noted that many countries still did not have enough information, sufficient technology, qualified and trained people and funding to provide a sound basis for sustainable forest management.
29. Dr. Sobral reported that ITTO was currently financing the protection of more than 8 million hectares of transboundary conservation reserves spanning nine tropical countries in the three tropical regions. He also mentioned that since its inception in 1987, ITTO had provided grants worth about US\$220 million to fund over 400 projects designed to promote sustainable forest management, conservation and sustainable development.
30. The Executive Director drew Council's attention to the issue of forest certification. He said that it was a matter of some concern that while the emergence of certification in the early to mid 1990s was due, in large part, to the clamour for improvements in tropical forest management, its implementation had been largely occurring outside the tropics. He cited recent data which indicated that 18.3 million hectares of the 21.7 million hectares of forests certified as well managed by the Forest Stewardship Council (FSC) were located in Europe, North America and New Zealand. Of the remaining 3.4 million hectares, only 1.8 million ha were attributed to ITTO producing Member countries.
31. Dr. Sobral also reported to Council on FAO's invitation to ITTO to jointly organize an international conference on criteria and indicators for sustainable forest management in early 2002, as well as cooperation with FAO in the development of guidelines for the management of secondary forests. He indicated that such inter-agency cooperation would optimize the resources of Members, lead to high quality outcomes and avoid duplication.
32. The Executive Director further reported to the Council on progress made on some important medium-term goals presented to Council at the last November Session. The report covered the following medium-term goals:
 - the establishment of twenty additional demonstration areas for sustainable forest management;
 - the establishment of reduced-impact logging training schools in each of the producing regions;
 - the production of annual reports on the status of sustainable forest management at the national level applying the ITTO Criteria and Indicators;
 - provision of training on the application of Criteria and Indicators at the forest management unit level;
 - the development of guidelines for the rehabilitation of degraded tropical forest land, and
 - the expansion of ITTO sponsored transboundary conservation reserves to a worldwide area of about 15 million hectares.

REPORT OF THE INFORMAL ADVISORY GROUP (IAG) (Agenda Item 9)

33. The Chairperson referred to Document ITTC(XXX)/2. She reported that the Informal Advisory Group established under Decision 3(XXII) met for the eighth time on Sunday, 27 May 2001. The meeting was attended by the Chairperson and Vice-chairperson of Council, the Chairpersons of the Committees, the spokespersons of the Consumer and Producer Group, representative of the Government of Japan and the Executive Director.
34. Issues discussed by the IAG included: Matters Relating to Article 35 of the ITTA, 1994; Long-term ITTO's Strategic Plan; the Role of ITTO on critical international issues such as;
- sustainable tropical forest management as a source of jobs, poverty eradication and sustainable development;
 - macro-economic events affecting tropical forests and tropical forest products trade development;
 - financial and technical resources for the implementation of tropical forest policies;
 - forest and climate change.
35. Ms. Aulikki Kauppila (Finland), on behalf of the Consumer Group commended the report of the Informal Advisory Group. She reported that the Consumer Group re-assessed the role of the IAG and noted the tremendous contribution of the IAG to the work of the Council. The Consumer Group therefore endorsed the extension of the mandate of the IAG.
36. Dr. Untung Iskandar (Indonesia), on behalf of the Producer Group commended the report of the IAG. He, however, called on the Council to also address the issue of putting ITTO in a certain niche as well as enhancing the capacity of Members to implement the ITTO Criteria and Indicators through Project Work. He commended the IAG for putting on its agenda the issue of sustainable tropical forest management, poverty eradication and sustainable development. Dr. Untung, on behalf of the Producer Group, supported the extension of the mandate of the IAG.

CITES LISTING PROPOSALS BY MEMBERS – DECISION 3(XVI) (Agenda Item 10)

37. Mr. E. Collins Ahadome (ITTO Secretariat) reported that the Secretariat had received official information from the Government of Indonesia that it had proposed to CITES to place Ramin (*Gonystyllus* spp.) in appendix III of CITES. The Secretariat also participated in the CITES Working Group on "Bushmeat as a Trade and Wildlife Management" at the invitation of the CITES Secretariat. The meeting was held in Douala, Cameroon from 24 to 26 January 2001. He reported that the meeting had been called following the recommendations of the 11th Meeting of the Conference of Parties of CITES held in April 2000. The Working Group addressed the issue of unsustainable trade in bushmeat especially its impact on highly endangered animals, such as elephants and the great apes.
38. Dra. Angela Andrade (Colombia) informed the Council about the intention of the Government of Colombia, together with other countries of the Amazon region, to propose to CITES to include *Swietenia macrophylla* (caoba) and *Cedrela odorata* (cedro) in Appendix III of CITES, in the near future. She said that experience had shown that the listing of species in CITES was an excellent instrument in controlling illegal logging of the species. She also mentioned that Colombia was carrying out coordination with other range countries in Latin America and Central America with a view to ensuring the inclusion of the species for those countries interested in controlling illegal trade in these species.
39. Dr. Abdul Rashid Abdul Malik (Malaysia) informed the Council that the 11th Meeting of the Animals and Plants Committee of CITES would be held from 3 September to 8 September 2001 in Langkawi, Malaysia. He extended invitation to all delegates to attend the 11th Meeting of the Animals and Plants Committee.

REPORT ON TRAINING WORKSHOPS AND FIELD TESTING OF THE MANUAL FOR THE APPLICATION OF CRITERIA AND INDICATORS FOR SUSTAINABLE MANAGEMENT OF NATURAL TROPICAL FORESTS – DECISION 3(XXVI) (Agenda Item 11)

40. The report was presented by Mr. Don Wijewardana (New Zealand). He referred to document ITTC(XXX)/5.

41. Mr. Don Wijewardana said that the field testing of the Manual was undertaken in four countries and it involved 110 participants from 32 countries. He briefed Council on the methodology used in conducting the training.
42. Mr. Wijewardana reported that the FMUs tested in the four countries were at different stages in the implementation of sustainable forest management. He indicated that that was partly a reflection of the level of commitment at the national level, and partly due to the lack of resources, trained staff and the necessary information. He also mentioned that many of the FMU managers found some of the data and the level of details sought under various ITTO indicators, beyond their capacity to meet.
43. Mr. Wijewardana stated that the implementation of Criteria and Indicators might have to commence with only the basic information available under the prevailing circumstances. He said that in spite of these limitations a common trend that ran through all the FMU's tested was their high level of commitment to sustainable forest management which stemmed, very largely, from their aim to obtain timber certification through the application of Criteria and Indicators.
44. He reported that many FMU level data providers experienced difficulties in dealing with qualitative data and the absence of definitions for some commonly used terms. He suggested that such definitions might have to be provided at the country level so that all FMU level reports would be consistent. On social issues and community development, especially within Criteria 7, he mentioned that there was a need for greater clarity between the responsibilities of the management of FMUs and the government.
45. Mr. Wijewardana stated that less than 50 percent of the workshop participants found the Manual to be user-friendly and most participants did not have the resources or data to meet the requirements of the Manual.
46. In his concluding remarks, Mr. Wijewardana said the fact that the majority of the participants in the workshops did not consider the Manual to be user-friendly suggested that there was the need to improve the Manual considerably in order that the ITTO Criteria and Indicators would have a widespread application in Member countries. He also mentioned that while training was one major positive step in promoting sustainable forest management through the application of Criteria and Indicators, more fundamental matters affecting sustainable forest management needed to be addressed in Producing Member Countries.
47. Ms. Hasnah Abdullah (Malaysia) commended the work of the consultants. She said that the training workshops and field testing of the Manuals were very timely and beneficial to many participants. She mentioned that the training workshops provided an important platform for the participants to draw and share experiences from other participating countries pertaining to the status of implementation of sustainable forest management in their respective countries.
48. Ms. Abdullah stated that Malaysia was one of the venues for the training workshop and she was one of the participants at the workshop. She said that Malaysia had gained immensely from the workshop and training and hoped to continue the collaboration with ITTO and other Member countries to further strengthen the efforts and work in ensuring sustainable forest management in the natural tropical forest. She mentioned that Malaysia, as a Producer Member of ITTO, was fully committed to achieving sustainable forest management in the overall context of sustainable development. In that regard, Malaysia would support any proposal for future training to be organized for capacity building, particularly among foresters.
49. Mr. Sadhardjo Siswamartana (Indonesia) expressed the appreciation of the Government of Indonesia to ITTO for selecting Indonesia as one of the venues for the training workshops as well as the field testing of the Manuals. He indicated that there was the need to mobilize the trainers from the workshop. He said that the field testing of the Manuals would eventually lead to the achievement of sustainable forest management in more than 200 FMUs in Indonesia. The field testing would also generate inputs for the simplification of the Manuals. He commended the consultants for an excellent work.
50. Mr. Shoji Sato (Japan) commended the report of the consultants. He agreed to the recommendations by the consultants, particularly the recommendation that the Manual should be user-friendly, and hoped Member Countries would adopt and implement the ITTO Criteria and Indicators for the Sustainable Management of their forests.

51. Mr. Alphonse Owele (Gabon) indicated that the time allocated for the training workshop in Cameroon was not enough to deal with the issues relating to Criteria and Indicators. He mentioned that based on the training, the Member Countries came up with a number of project ideas for the continuation of the training programme in their respective countries. He sought further clarification on the status of such project ideas.
52. Dra. Angela Andrade (Colombia) welcomed the recommendations of the consultants. She said that Colombia had carried out an exercise to determine the cost of implementation of Criteria and Indicators, and the things to be adjusted at the different stages of implementation, especially in cases where no baseline data were available. She said that enough time and resources would be needed to gather all the data required by the Manual. She called on the Council to take these concerns into consideration.
53. Mr. Douglas MacCleery (U.S.A.) commended the report of the consultants. He indicated that the report represented a very important learning experience for ITTO in the difficulties, challenges and benefits of implementing ITTO's Criteria and Indicators. He hoped that the Council would give a favourable consideration to proposals for continuing and expanding the training programme.
54. The Executive Director reported that there was a proposal to continue with the training on the "Manual for the application of the Criteria and Indicators for Sustainable Management of Natural Tropical Forests" in Producing Member Countries and also provision of assistance to facilitate reporting on progress towards achieving sustainable management. He mentioned that because of time constraint, the draft decision could not be sufficiently discussed at the previous Council Session, and hoped that when Members revisited the draft decision, the Council would take into consideration new developments relating to the format of reporting which had been developed.
55. On the issue of cost of implementing the Criteria and Indicators, the Executive Director said that cost was not being considered in the draft decisions. He indicated that the draft decision covered only the cost of the training on the use of the Manual and that the cost of implementing the Criteria and Indicators involved a dimension which had not yet been assessed.

REVISITING SELECTED ISSUES AND RELEVANT DRAFT DECISIONS CONSIDERED AT THE TWENTY-NINTH SESSION – DECISION 14(XXIX) (Agenda Item 12)

56. The Chairperson referred to document ITTC(XXX)/6. She drew the Council's attention to two draft decisions to be revisited – certification and illegal logging and trade in illegally harvested timber. She reported to the Council that the spokespersons had requested for more consultations on these draft decisions in their respective caucuses. She proposed further that the issues be discussed in an informal joint Producer/Consumer Group Meeting.

ITTO OBJECTIVE 2000 – DECISION 2(XXIX) (Agenda Item 13)

57. The Executive Director reported on the agenda item. He mentioned that Decision 2(XXIX) requested the Secretariat, in conjunction with Member States to address the following issues:
 - provision of assistance in setting up ITTO Objective 2000 Boards;
 - provision of assistance to producer countries, on request, to identify, in each country, those factors which most severely limit progress towards achieving Objective 2000; and
 - development of format for reporting on progress towards sustainable forest management using the ITTOs Criteria and Indicators.
58. Dr. Sobral reported that the Secretariat had received request for assistance for diagnostic missions from Congo, the Central African Republic and Brazil. The Secretariat was liaising with these Member Countries on the planning of these missions. With regard to the Objective 2000 Board, Dr. Sobral also reported that the Secretariat had received official information that Congo and Papua New Guinea had established such boards and had requested for financial assistance for the operation of these boards. He said that the Secretariat, together with these countries had established the terms of reference of these boards. The Secretariat, however, had not received any financial contributions from donors for the operation of these boards.

59. The Executive Director further reported to Council that with the assistance of experts in the area of Criteria and Indicators, the Secretariat had prepared a proposal for the consideration of the Council regarding the reporting format and referred Council to document ITTC(XXX)/12 and invited Dr. Steven Johnson (Secretariat) to present the document to Council.
60. Dr. Johnson said that the reporting format had incorporated the recommendations of the consultants (Don Wijewardana and B.C.Y. Freezailah) which called for the Manual to be made more user-friendly. He mentioned that the format followed the structure of the Manual and suggested that the reporting format should be used for future training on the application of ITTOs Criteria and Indicators. He suggested that the National Boards as proposed in Decision 2(XXIX) should be responsible for marshalling the necessary resources to undertake the substantial amount of work to complete the reporting format.
61. Dr. Johnson mentioned that the Secretariat had consulted with other Criteria and Indicators processes and many other agencies, such as the FAO to ensure that whatever format was developed would be useful for the future work of the UNFF. He urged Council to start collecting data based on the Criteria and Indicators before revising the Manual. He also called on Council to approve the format and to request Members to begin reporting as soon as possible.
62. Dr. B.C.Y. Freezailah (Malaysia) said that as one of the consultants for the training workshop on the use of the ITTO Criteria and Indicators, he learnt to his astonishment that he had grossly underestimated the complexity and the amount of work involved in using the ITTO Criteria and Indicators. He indicated that there was the urgent need to simplify the ITTO Criteria and Indicators if ITTO wanted to ensure its wider application in Producing Member Countries. He mentioned that some indicators were duplicative, others ambiguous and still others required clear definitions as well as better guidance in terms of how to quantify the data.
63. Dr. Freezailah commended the Secretariat for producing the reporting format but indicated that Council should be cautious before adopting the reporting format. He called on the Council to examine closely the existing Criteria and Indicators with a view to simplifying the Manual before developing the reporting system.
64. Mr. Don Wijewardana (New Zealand) commended the consultants and the Secretariat for producing the reporting format. He indicated that, he agreed to the simplification of the Criteria and Indicators Manual but expressed concern about any delay in using the reporting format. He suggested that ITTO should explain to Member States that even if they did not possess all the relevant data, they should still provide the data available. In addition, Member States should be made aware that the information they provide would be used to assess the progress made by the Member States themselves at different stages and would not be used to compare the progress made by different countries.

COMMUNICATIONS AND OUTREACH ACTIVITIES – DECISION 3(XXIX) (Agenda Item 14)

65. The report was presented by Mr. E. Collins Ahadome (ITTO Secretariat).
66. Mr. Ahadome referred to document ITTC(XXX)/7 and reported that pursuant to Decision 3(XXIX), that authorized the Executive Director to develop outputs, including a brochure, that promulgate the messages on progress made by ITTO to date, a brochure on ITTO's progress towards the achievement of the Year 2000 Objective had been produced in English, French and Spanish. In addition he reported that a book to trace the evolution of the Year 2000 Objective, report the findings of the 'Review of Progress Towards the Year 2000 Objective' and expand on the messages and lessons learnt had been planned. Dr. Duncan Poore had been contracted to write the book to be published well before the "Rio + 10" Earth Summit in September 2002.
67. Mr. Ahadome reported further that a series of 'program profiles' were being developed to highlight the policy and project work of the Organization in such fields as sustainable forest management, mangrove conservation and sustainable use, transboundary conservation reserves, fire management and trade and industry. Another planned output being developed was a poster series to promote key messages about the Organization's work in a highly pictorial way and would be distributed to forestry schools in Member Countries.
68. Mr. Ahadome mentioned that reciprocal links of websites of 32 relevant organizations had been established with the ITTO website to improve the use of the website as an outreach tool.

69. Mr. Shoji Sato (Japan) commended the Secretariat for the improvements in the communication and outreach activities of the Organization. He, however, called for further improvements in ITTO's communication and outreach activities in Japan.

COOPERATION BETWEEN THE ITTO AND ATO – DECISION 4(XXIX) (Agenda Item 15)

70. The Executive Director reported that Decision 4(XXIX) called upon ITTO Secretariat to collaborate with ATO in the refining of the ATO Principles, Criteria and Indicators in order to make them compatible with the ITTO Guidelines and Criteria and Indicators. The Decision also requested the Secretariat to assist in organizing a regional workshop after refining the ATO Principles, Criteria and Indicators and also to formulate a project proposal to further promote a framework for ATO/ITTO cooperation on Principles, Criteria and Indicators for sustainable forest management.
71. Dr. Sobral reported that the Secretariat had taken action to implement all the required activities as contained in Decision 4(XXIX). He called on the representative of the ATO to brief the Council on the results of the cooperation.
72. Mr. Félix Essame (ATO) reported on the cooperation between ATO and ITTO. He mentioned that two consultants were recruited to assist in refining the ATO Principles, Criteria and Indicators and to make them compatible with the ITTOs Criteria and Indicators. He said the consultants visited the nine Member Countries of ATO in order to take stock of the forest management in the sub-region and to evaluate the level of implementation of the Criteria and Indicators in all the Member Countries. He also mentioned that a workshop to examine the harmonized ATO-ITTO Criteria and Indicators was held from 25 to 26 May 2001 in Yaoundé. The harmonized ATO-ITTO Criteria and Indicators were approved by the workshop. The workshop also examined strategies for the promotion and implementation of the adopted ATO-ITTO Criteria and Indicators. A project proposal to further strengthen the cooperation between ATO and ITTO was being prepared and would be submitted for the consideration of the next Expert Panel for Project Appraisal.
73. Ms. Candy Green (U.S.A.) said that the United States delegation was pleased with the substantial level of activities that had been undertaken, following the Council's Decision 4(XXIX) and looked forward to further future cooperation between the two Organizations. She informed the Council that the United States in cooperation with the World Bank would co-sponsor a conference on forest law enforcement in Africa in 2002, and encouraged the support and participation of other ITTO Members in the conference. She expressed the gratitude of the United States to the ATO for the significant support in the organization of the conference.

PROGRESS REPORT ON THE IMPLEMENTATION OF THE ITTO WORK PROGRAMME FOR THE YEAR 2001 (Agenda Item 16)

74. The Executive Director referred to document ITTC(XXX)/8. He reported that the document followed the usual format. The activities had been classified under Council, Committees and Secretariat. He further mentioned that for each activity approved by the Council for the year 2001, the Secretariat identified the implementation approach and cost implications as well as the implementation status.

MATTERS RELATING TO ARTICLE 35 OF THE ITTA, 1994 (Agenda Item 17)

75. The Chairperson introduced this agenda item. She drew attention to Article 35 of the ITTA, 1994 which called on Council to review the scope of the agreement, four years after it had entered into force.
76. Mr. Luciano Helmold Macieira (Brazil), on behalf of the Brazilian delegation proposed that the scope of any future agreement should include all types of forests and not only tropical forests.
77. Ms. Aulikki Kauppila (Finland) on behalf of the Consumer Group, reported to the Council that after thorough discussions on the issue, the Consumer Group decided that since there were enough challenges in the current scope of the agreement and new challenges were still emerging in the field of tropical timber trade and sustainable forest management, there was no need to make any changes to the scope of the present agreement at this stage.

78. Mr. Enzo Barattini (European Community) sought clarification on the position expressed by Brazil. He requested to know whether the opinion expressed by Brazil represented the common position of the Producer Group, or Brazil's national position.
79. Mr. Luciano Helmold Macieira (Brazil) responded that the opinion expressed by the delegate of Brazil represented the position of Brazil and not the entire Producer Group.
80. The Executive Director mentioned that the position expressed by Brazil referred to the scope of future agreement and, therefore, did not apply to the mandate of the Council to review the scope of the current agreement.
81. The Executive Director reported that the scope of the agreement is explicitly mentioned in Article 35. However, some other articles of the agreement refer to all timbers or all forests which allow some additional activities to be undertaken under the current agreement, without expanding the scope. He indicated that several objectives of the current agreement also allow for work to be undertaken on non-tropical timber and all forest issues. He cited objective (a), (b) and (n) of Article 1 which called for an effective framework for consultation, international cooperation and policy development among all Members with regard to all relevant aspects of the world timber economy; provision of a forum for a consultation to promote non-discriminatory timber trade practices; and encouraging information-sharing on the international timber market. He pointed out that the agreement outlined the operational activities intended to achieve these objectives under the remit of the Committee on Economic Information and Market Intelligence.
82. Dr. Sobral said that the most explicit reference to non-tropical timber and forests in the agreement occurs in Article 29 – "statistics, studies and information", which called on Members to furnish information on timber, its trade and activities aimed at achieving sustainable management of timber producing forests. Article 29 also called on Council to arrange for studies on "short and long-term problems of the international timber markets" as well as the progress in sustainable management of timber producing forests.

**STRENGTHENING SUSTAINABLE FOREST MANAGEMENT IN INDONESIA – DECISION 12(XXIX)
(Agenda Item 18)**

83. The Executive Director referred to Decision 12(XXIX), and reported that the Secretariat, in consultation with the Government of Indonesia had constituted and dispatched the Mission to Indonesia. He indicated that the Mission was still carrying out its work and that changes in the Ministry of Forestry of Indonesia had necessitated a re-scheduling of some of the activities of the Mission. He invited Dr. B.C.Y. Freezailah (Malaysia), the leader of the Mission, to present an interim report of the Mission to Council.
84. Dr. B.C.Y. Freezailah (Malaysia) presented an inception report of the Technical Mission to Indonesia. He said that the Mission was constituted by Council in response to an invitation by the Government of Indonesia to identify ITTO's support, especially in formulating a Forestry Action Plan to achieve sustainable forest management, focusing on:
 - restructuring of the forest industries;
 - establishment of forest plantations;
 - re-calculation of timber values;
 - de-centralization of forest management; and
 - measures to combat illegal logging
85. He said that at the country level, the Mission was assisted by a ten-member team, comprising of equal number of international and Indonesian experts. He indicated that the members of the Technical Mission were experts in various fields, reflecting the five broad areas stipulated in the terms of reference of the Mission. He mentioned that the first phase of the Mission was information gathering, followed by problem analysis. He said that based on the problem analysis, the Mission would consider possible actions and recommendations. He reported that the Action Plan and Recommendations would be discussed as widely as possible before the finalization and adoption of the Mission report.
86. Dr. Freezailah mentioned that information gathering was initially accomplished through literature review. The Mission also undertook extensive discussion with all interested parties. He reported further that the Mission received requests from some stakeholders, including industry group,

NGOs, local communities, Government officials, academies, former Ministers of Forestry, etc. to hold discussions with the Mission. He acknowledged the immense contributions and support the Mission received from Dr. Untung Iskandar, the Producer Spokesperson.

87. Dr. Freezailah outlined to the Council the programme of the Mission during its next visit to Indonesia in July 2001, including two major seminars with NGOs and the trade to discuss the findings and recommendations of the Mission.
88. Dr. Freezailah made the following observations:
- (i) the Mission was confronted with a complex situation in Indonesia as the country was in the process of dynamic political reform;
 - (ii) the model for the Indonesian Forestry Department had hitherto been one of public ownership and private utilization of the natural forest;
 - (iii) the control and ownership of forest had been a fundamental issue affecting development in the forestry sector;
 - (iv) the uncertainty in terms of a clear separation of powers between the various levels of Government coupled with the economic turmoil, was certainly taking a serious toll on the forests; and
 - (v) the broad political structure and institutional framework for the management, utilization and protection of the forests was fundamental for sustainable forest management in Indonesia.
89. Dr. Freezailah concluded his preliminary report by thanking the Council for given him the opportunity to lead the Indonesian Mission.
90. Dr. Tachrir Fathoni (Indonesia), on behalf of the Indonesian delegation, commended the efforts of the Technical Mission, as well as the assistance provided by the Council in trying to formulate a Forestry Action Plan to achieve sustainable forest management in Indonesia. He mentioned that with the current decentralization forest policy of Indonesia, the delegation would provide their full support to the programme of the Mission to discuss its findings and recommendations in a public seminar with a wide range of stakeholders. He further mentioned that the outcome of the first phase of the Mission should be discussed with many relevant parties in Indonesia.
91. Mr. Shoji Sato (Japan) commended the Technical Mission for its hard work. He expressed satisfaction with the commitment by the Government of Indonesia to achieve sustainable management of Indonesia's forests.
92. The Executive Director reported to the Council that the Mission was doing an excellent work and that he was confident that the recommendations of the Mission would be very beneficial to both ITTO and the Government of Indonesia. He mentioned that because of the developments in the political front in Indonesia and the resulting two-phase programme approach, there had been an additional cost resulting in a slight increase in the budget.

REPORT OF THE EXPERT PANEL ON THE ROLE OF ITTO IN INTERNATIONAL AND REGIONAL ORGANIZATIONS AND FORA – DECISION 13(XXIX) (Agenda Item 19)

93. The report was presented by Mr. Don Wijewardana (New Zealand), on behalf of the Chairman of the Panel, Mr. Rae-Kwon Chung (Republic of Korea).
94. Mr. Wijewardana reported to Council that the most important objective of the Panel was to develop recommendations for ITTO's involvement in international and regional fora, including recommendations for the next Action Plan.
95. The Expert Panel met in Curitiba, Brazil from 9 to 13 April 2001. The Panel was composed of representatives from Brazil, Cameroon, Ghana, Peru, Thailand representing the Producer Group and People's Republic of China, Japan, Republic of Korea, New Zealand, Sweden and U.S.A. representing the Consumer Group. The Conservation NGO community was represented by the World Conservation Union (IUCN) and the National Association for the Conservation of Nature (ANCON), based in Panama. The trade and industry group was represented by International Wood Products Association (IWPA), and the Sarawak Timber Association.
96. Mr. Wijewardana said that after exhaustive discussions, the Expert Panel identified the issues in international and regional organizations and fora which had implications for and direct relevance

to the work and role of ITTO. These issues are contained in Annex F of document ITTC(XXX)/9. He mentioned that the Expert Panel also identified actual measures for effective ITTO involvement and cooperation with relevant international and regional organizations and fora (Annex G to document ITTC(XXX)/9)).

97. The Expert Panel made the following recommendations for the consideration of Council:
- (i) In further refining the priorities for ITTO's involvement in international and regional organizations and fora, the Council should evaluate and decide on the measures identified in terms of:
 - the relevance in the objectives of ITTA, 1994 and the ITTO Action Plan;
 - the expected benefits to Member Countries and ITTO;
 - the urgency of a measure with respect to the timing of scheduling of international events;
 - their cost implications
 - (ii) The Council should take into account the need to provide flexibility to the Executive Director in taking advantage of international and regional events, identifying opportunities for ITTO's engagement and allocating available resources;
 - (iii) Recognizing that the secondment of a professional to the UNFF Secretariat would have significant financial implications, the Council should:
 - clearly identify the benefits of such secondment to advancing ITTO's objectives;
 - consider a limited term of secondment;
 - identify the qualifications desirable in a seconded professional.
 - (iv) In developing the next Action Plan, the Council should take into account the priority measures identified in Annex G of document ITTC(XXX)/9.
98. Dr. Untung Iskandar (Indonesia) called on Council to consider with caution ITTO's cooperation and support to other forestry-related organizations. He also reminded the Council the experience of secondment of staff and the budget associated with such secondment. He requested the Council to carefully re-examine ITTO's contribution to other forestry organizations. He supported the statement by the Executive Director that ITTO should embark on activities on the ground which would have direct impact on the achievement of sustainable forest management.
99. Dr. Iskandar expressed Indonesia's appreciation to ITTO for financing transboundary conservation projects in Indonesia. He said that at the request of the Donors Forum on Forest in Jakarta, Indonesia would examine the content of proposals for action as a basis for formulating the national forestry programme.
100. Ms. Candy Green (U.S.A.) commended the work of the Expert Panel. She supported the Panel's recommendations for ITTO to pursue global cooperation. She said that many of the measures recommended by the Expert Panel would require voluntary contributions which could be used as a yardstick for prioritizing the measures listed in Annex G to document ITTC(XXX)/9.
101. Mr. Enzo Barattini (European Community) commended the report of the Panel and statements made by representatives of various international organizations. He was pleased with the efforts made by the Governments of the Central African Region to achieve sustainable forest management. He indicated that consumer countries would consider the Resolution of the Yaoundé Process in greater detail.

STATEMENT BY THE TRADE ADVISORY GROUP (TAG)

102. Mr. Graham Bruford (Timber Trade Federation, U.K.) presented the statement on behalf of the Trade Advisory Group.
103. The TAG expressed appreciation to the Council for the way in which the Council had supported the strengthening of trade inputs into the ITTC discussions through the formation of the Group, as well as the involvement of trade personnel in Expert Panels. The TAG commended the Executive Director and the Secretariat for their work on communication and outreach activities since the last meeting of the ITTC, and urged the Council to build on past efforts and address tropical timber promotion.
104. Mr. Bruford said that the TAG believed that a properly conceived and generic tropical timber promotional effort would pay handsome dividends in both Producing and Consuming Countries.

He expressed the appreciation of the TAG to the Council and donor countries for their generous support in strengthening the Market Discussion.

STATEMENT BY REPRESENTATIVE OF THE UNITED NATIONS FORUM ON FORESTS (UNFF)

105. The statement was presented by Mr. Jagmohan Maini, Coordinator and Head of the UNFF.
106. Mr. Maini's address to the Council focused on International Dialogue on Forests and its impact on national policies and practices. He was pleased that the Council Session was addressed by the Prime Minister of Cameroon as well as five other Ministers of forests from the African Region.
107. Mr. Maini said that forests had emerged on the international agenda for the last two decades as a priority item. He said that a UN Survey revealed that there were forty different international organizations dealing with forests; and twenty different international conventions and agreements that deal with forests. He pointed out that a summary of these international discussions could be classified into 3 broad areas:
- (i) the trade related negotiations in WTO, UNCTAD and ITTO;
 - (ii) environmental issues in CITES, CBD, Framework Convention on Climate Change, and the Convention to Combat Desertification;
 - (iii) the Rio dimension which dealt with sustainable development of all types of forests.
108. Mr. Maini stated five highlights of the outcome of the IPF/IFF process.
- (i) there were clear guidelines that all 197 countries of the UN have agreed to develop national forestry programmes. These programmes should be country driven;
 - (ii) there were about 150 countries that were involved in developing criteria and indicators covering about 85 percent of the world's forests;
 - (iii) trade and sustainable forest management;
 - (iv) underlying causes of deforestation; and
 - (v) partnerships and financial cooperation.
109. He said that after five years of ad hoc arrangements, the governments decided on the establishment of the UN Forum on Forests as a Subsidiary Body to the Economic and Social Council (ECOSOC) that reports to the General Assembly.
110. Mr. Maini briefed the Council about the Plan of Action of UN Forum on Forests as well as the Collaborative Partnership on Forests (CPF), and the High-level Ministerial Segment. He indicated that the UN Forum on Forests offered the opportunity for coordination of the fractionated agenda on forests. He said that considering the fact that there were over twenty different international agreements to which many countries were signatories, the national forest policies and activities could no longer be pursued in isolation from international deliberations. He cited four inter-locking dimensions at which forest policies were being addressed – national, transboundary, regional and global dimensions.
111. Mr. Maini commended ITTO for its contributions to IPF/IFF process by providing financial support, secondment of two senior experts to the Secretariat, and ITTO's role as a lead-agency on trade and sustainable forest management.

STATEMENT BY THE REPRESENTATIVE OF THE FOREST STEWARDSHIP COUNCIL (FSC)

112. The statement was presented by Dr. Maharaj Muthoo, Executive Director, Forest Stewardship Council (FSC).
113. Dr. Muthoo said that the civil society was increasingly becoming an important sector in global affairs. He mentioned that, at the ground level, FSC had been advocating for multi-stakeholder participation in the management of the forests of the world which as enshrined in the objectives, mandate and mission statement of FSC. He stated that FSC was employing certification as a market-based tool to achieve the objective of sustainable forest management.
114. Dr. Muthoo commended the pioneering role played by ITTO in developing criteria and indicators for sustainable forest management. He admitted that as Head of Forestry in FAO, he had originally been opposed to certification, out of ignorance of the fact that certification as a powerful tool, had been bringing producers, consumers and all stakeholders together to deliver ethically,

socially responsible, and environmentally appropriate corporate ethics. He mentioned that about 100 million ha of forests in the world had so far, been certified.

115. Dr. Muthoo stated that FSC was strong in terms of technical expertise than he had envisaged previously. He mentioned that FSC had to date certified over 20 million hectares of forests. FSC had set standards and specifications to ensure that good forest management practices were advanced. He indicated that FSC would put its expertise and experience at the disposal of producers, consumers and NGOs for advancing the objectives of ITTO.
116. He regretted that FSC had not been very active in Africa and Asia and sought the collaboration of reputed Organizations to advance the common goals of achieving sustainable management globally. He indicated that FSC was in the process of decentralizing to strengthen the national capabilities of tropical countries where deforestation was still a major issue. FSC was planning to establish regional offices in Africa, Asia and Latin America.
117. Mr. Mauricio Castro Schmitz, Chairman of FSC also briefed the Council on the growth and development of the FSC in the last 8 years. He said that FSC had been active in more than forty countries. He also stated that FSC was ready to make its accumulated experience available to ITTO.

STATEMENT BY THE REPRESENTATIVE OF THE WORLD CONSERVATION UNION (IUCN)

118. The statement was presented by Mr. Simon Rietberger, Forest Conservation Programme Officer of IUCN.
119. Mr. Rietberger said that he had been involved in the ITTO study on sustainable forest management in the late 1980's which led to the production of the book "No Timber Without Trees", as well as the ITTO Guidelines for Sustainable Management of Tropical Forest. He was pleased with the level of progress made by ITTO in terms of the number of programmes and projects under implementation, as well as ITTO's presence in international policy fora. He briefed the Council on IUCN's forest conservation programme and the need for collaboration between IUCN and ITTO.
120. Mr. Rietberger mentioned that IUCN's mission, unlike that of many conservation organizations, did not separate the need for biodiversity conservation from the need for human development. He mentioned IUCN's two major goals as combating the extinction crisis and conservation of major ecosystems such as forests. IUCN was composed of 75 state members, 112 government agencies and 735 NGOs. He spoke about the IUCN's Volunteer Scientist Commission and the Specialist Group under the Species Survival Commission.
121. Mr. Rietberger briefed the Council on key areas of IUCN's work. The IUCN's forest conservation programme had 4 objectives which were very much related to the work of ITTO. IUCN's main focus of work was still tropical forest in developing countries. He cited IUCN's programme under Protected Areas including transboundary forest protected areas as an area of overlap between ITTO and IUCN. He mentioned that under restoration of forest ecosystems, in the view of IUCN, a lot of public funds invested in reforestation had mainly yielded private benefits. He said that many opportunities had been lost in terms of both production and services which could have been generated for a large number of people. He also cited prevention of forest fires as one area of IUCN's programme that was common to both Organizations.

STATEMENT BY THE REPRESENTATIVE OF THE FAO

122. Dr. I.J. Bourke, Senior Forestry Trade Analyst, Forest Products Division of the FAO presented the statement. He referred to document ITTC(XXX)/9 which listed recent ITTO cooperation activities with the FAO, and expressed FAO's appreciation for the collaboration. He also commented on Annex G of the document which listed measures for effective ITTO participation in, cooperation with and contribution to relevant international and regional organizations and fora and urged Council to co-sponsor with FAO, the 2nd International Meeting on Criteria and Indicators scheduled for 2002 and to collaborate with FAO on preparation of guidelines for the management of secondary forests and on forest restoration activities. He also appealed to the Council to support FAO in organizing the International Year of Mountains.

123. Dr. Bourke welcomed the proposal to develop a Memorandum of Understanding (MOU) on collaborative activities between ITTO and FAO.
124. Dr. Mamdouh Riad (Egypt) said that Egypt welcomed the cooperation between ITTO and FAO.

STATEMENT BY THE REPRESENTATIVE OF THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

125. The statement was presented by Mr. François Ekoko, Environmental Governance and Institutions Advisor.
126. Mr. Ekoko briefed Council about a study commissioned by the UN Security Council on illegal exploitation of natural resources of the Democratic Republic of Congo, including timber. He said the report of the study referred to the timber resources of the Congo as "conflict timber" which was being used to promote the political conflict in the Congo. He explained further that the proceeds from the timber resources were being used to purchase arms to fuel the political conflict. There was also the granting of forest concessions for arms and exchange of arms for timber. According to the report, the phenomenon was observed in Cambodia in the 1980s and repeated in Liberia.
127. The report made a number of recommendations to the Security Council including:
- (i) better cooperation between the institutions and agencies responsible for policy i.e. the ITTO and the Security Council;
 - (ii) strengthening existing structures to combat illegal logging in the Democratic Republic of Congo;
 - (iii) establishing regional mechanisms to combat the phenomenon of "conflict timber"; and
 - (iv) mobilization of the forestry community.
128. Mr. Ekoko said the UN Security Council attached great importance to the report and urged all relevant organizations concerned with forestry issues to brainstorm on the phenomenon of "conflict timber" and make the necessary recommendations to the Security Council through the Panel established by the UN Security Council.

STATEMENT BY THE REPRESENTATIVE OF THE WILDLIFE CONSERVATION SOCIETY (WCS)

129. The statement was presented by Mr. Paul Elkan, Program Manager of WCS. He briefed Council on the activities of WCS. He mentioned that the Wildlife Conservation Society was working in 53 countries. In Africa, WCS was working in 20 countries and implementing one hundred projects in collaboration with governments, communities and private companies. The organization was currently broadening its scope across the boundaries of protected areas. He cited WCS activities in the Central Africa, Cambodia and Gabon on transboundary conservation.
130. Mr. Elkan stated that WCS was interested in working with ITTO on transboundary conservation projects.

STATEMENT BY H.E. MR. SYLVESTRE NAAH ONDOA, MINISTER OF ENVIRONMENT AND FORESTS OF CAMEROON

131. In his statement, the Minister briefed the Council about the follow-up meeting of the Yaoundé Summit that involved all the Ministers of Forests of the Central African Region. He said that Cameroon was mandated to follow up the implementation of the resolutions of the Summit. He stated that as a result of the Summit of Heads of States of the Central African Region, other problems relating to forests of the Congo Basin had attracted international attention. The United Nations, through Resolution 54/214 of the 54th General Assembly, expressed satisfaction with the initiatives taken by the Heads of States of the Region, and appealed to the International Community to assist the countries involved in their efforts towards sustainable management of their forests.
132. The Hon. Minister said that Central Africa was committed to managing its forests on the basis of a regional collaborative approach to avoid duplication of initiatives. On behalf of the countries of the Central African Region, the Hon. Minister expressed his gratitude to all international organizations and agencies providing assistance to the region for sustainable forest

management. He said the Yaoundé Process would allow the countries to harmonize their forest management strategies. He urged the ITTO to take into account the new dispensation of sub-regional cooperation among the countries of Central Africa.

133. The Hon. Minister read a resolution requesting ITTO to assist in the implementation of a convergence plan developed as a result of the Yaoundé Process and appealed to Council to give a favourable consideration to the Resolution.

SPECIAL ACCOUNT AND BALI PARTERSHIP FUND (Agenda Item 20)

(a) Pledges to the Special Account and the Bali Partnership Fund

134. The Chairperson invited pledges to the Special Account and the Bali Partnership Fund.
135. Ms. Candy Green (U.S.A.) on behalf of the Government of the United States of America pledged one hundred thousand US dollars (US\$100,000) to the Bali Partnership Fund.

(b) Review of Resources in the Bali Partnership Fund

136. The Council took note of information on the resources of the Bali Partnership Fund as contained in document CFA(IX)/5.

ITTO FELLOWSHIP PROGRAMME – DECISION 4(XXVII) (Agenda Item 21)

(a) Progress Report on the ITTO Fellowship Programme.

137. The report was presented by Mr. E. Collins Ahadome (ITTO Secretariat).
138. Mr. Ahadome reported that six hundred and two (602) fellowships, amounting to US\$3,455,398.30 had so far been awarded during the three phases of the Fellowship Programme. Of the 602 fellowships, 61% were awarded for activities in the field of Reforestation and Forest Management, 28% in Forest Industry and 11% in Economic Information and Market Intelligence. Eighty-four percent of the awards were granted to nationals of Producing Member Countries, 11% to those of developing Consumer Countries (i.e. Nepal and China) and 5 percent to those of developed Consumer Countries. Among Producing regions, 27% of the total awards were to Africa, 36% to Asia/Pacific and 21% to Latin America. Females accounted for 21% of the total awardees.
139. On the status of the Freezailah Fellowship Fund, Mr. Ahadome reported that fellowships amounting to US\$300,000 had so far been awarded under the Fund.

(b) Report by the Chairperson of the Fellowship Selection Panel

140. In the absence of the Chairperson of the Fellowship Selection Panel, the report was presented by Ms. Sarah Smiley (U.S.A.), a member of the Panel.
141. She reported that the Fellowship Selection Panel composed of representatives of Australia, Bolivia, Côte d'Ivoire, Philippines, Switzerland and U.S.A. and chaired by the Vice-chairperson of the Council, Dr. Jürgen Blaser, met twice during the Thirtieth Session of the ITTC. The Panel evaluated a total of 115 applications and selected 26 applications to be recommended for the Council's approval.
142. The Panel recommended to Council to approve the 26 applications, at a total cost of US\$150,365.00. The full report of the Selection Panel is contained in document ITTC(XXX)/11.
143. The Council unanimously approved the report of the Fellowship Selection Panel.

DRAFT ANNUAL REPORT FOR 2000 (Agenda Item 22)

144. Mr. E. Collins Ahadome (ITTO Secretariat) reported on the activities of the Organization in 2000, as detailed in the Draft Annual Report, document ITTC(XXX)/4. The key decisions of the Twenty-eighth and Twenty-ninth Sessions of the Council held in Lima, Peru and Yokohama, Japan were

noted. A summary of projects, pre-projects and activities funded by the Organization was provided as well as key policy development issues considered by the Council in 2000.

REPORTS OF THE ASSOCIATED SESSIONS OF THE COMMITTEES (Agenda Item 23)

145. Dr. Antonio Carlos do Prado (Brazil), Chairperson of the Committee on Economic Information and Market Intelligence, presented the report of the Committee.
146. He referred to document CEM(XXVIII)/7. He reported that the Committee successfully conducted the 2001 Annual Market Discussion on the theme "Regulations for a Sustainable Timber Trade – relevant issues" which was moderated by Mr. Barney Chan (Sarawak Timber Association). There were seven presentations during the Market Discussion.
147. The Committee also considered the result of ex-post evaluation of two projects and agreed to conduct additional ex-post evaluation on five (5) statistical development projects in Latin America.
148. Dr. Prado reported that the Committee reviewed the status of nineteen (19) projects, pre-projects and activities under implementation; one (1) project and one (1) pre-project pending agreement; and four (4) projects pending financing.
149. The Committee recommended to the Council the approval and financing of three (3) new projects and three (3) pre-projects.
150. On policy work, the Committee discussed among other issues, market access, timber certification, life cycle analysis (LCA) of timber products, proposed listing of timber species in the Appendices of CITES, competitiveness of tropical timber vis-à-vis competing products and substitutes, medium and long-term outlook for the tropical timber market, trade in secondary processed wood products (SPWP) and a study on the establishment of a tropical plywood exchange.
151. The report was unanimously approved by Council (The full report is attached as Annex IV).
152. Dr. Untung Iskandar (Indonesia), on behalf of the Producer Group said that Producer Member Countries were fully aware of the need to improve forest practices and there had been significant progress by Producer Members towards the Year 2000 Objective, in spite of limitations of resources. He also mentioned that the Producer Group acknowledged the efforts of donors to provide funds to implement projects. He indicated that in future, a substantial amount of the resources needed to achieve sustainable forest management would have to be obtained from trade. He pointed out that part of the cost related to sustainable forest management had to be translated into prices of forest products. He expressed concern as to whether forest products would be competitive in the market if the market had to pay for the full cost of sustainable forest management.
153. Dr. Iskandar referred to the report on the "Study on Competitiveness of Tropical Timber Products vis-à-vis Competing Products and Substitutes" and acknowledged that much more needed to be done. He mentioned that the study pointed out that tropical timber was losing market and called for analysis of real cost and prices of tropical timber and competitive products, as well as concrete parameters to measure such competitiveness. He said that, based on such findings, there would be a clear indication of what actions should be taken by ITTO, ITTO Members and industry and trade.
154. Dr. Iskandar requested the consultants for a much more indept study on the competitiveness of tropical timber. He also informed Council that the Producer Group discussed the "Study on the Medium and Long-term Outlook for Tropical Timber Market" and indicated that these two studies were related and called for further discussions on them at the next Session of Council.
155. Mr. Chen Xuhe (China), Chairperson of the Committee on Reforestation and Forest Management, presented the report of the Committee. He referred to document CRF(XXVIII)/8.
156. He reported that the Committee reviewed the report on completed projects and pre-projects as contained in document CRF(XXVIII)/3. There were seven (7) completed projects with financial audit reports and twelve (12) completed projects without financial audit reports. The Committee

also reviewed the list of selected projects for ex-post evaluation in accordance with Decision 4(XXV), Annex A, and selected thirteen (13) projects for ex-post evaluation. The Committee further requested the Secretariat to initiate the necessary arrangements for the conduct of the ex-post evaluation before the next Session of the Committee.

157. Mr. Xuhe mentioned that the Committee considered the status of 76 projects under implementation; ten (10) projects awaiting the signing of an agreement; nine (9) projects pending finance; and one (1) project falling under the sunset provision.
158. The Committee recommended to Council eight (8) projects and five (5) pre-projects for approval and funding.
159. On policy work, the Committee considered the following:
 - continue with work related to the development of a comprehensive framework and practical working manuals on all relevant aspects of sustainable tropical forest management; and
 - review the results of the field testing and training workshops on the manual for "The Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forest".
160. The necessary corrections were noted by the Secretariat and the report was unanimously approved by the Council. (The full report is attached as Annex IV).
161. Dr. Abdul Rashid Hj. Ab. Malik (Malaysia), Chairperson of the Committee on Forest Industry presented the report of the Committee. He referred to document CFI(XXVIII)/11.
162. He reported that the Committee held five meetings during the Session, including a Joint Session with the Committee on Economic Information and Market Intelligence. The Committee reviewed the reports of three completed projects and three completed pre-projects. The Committee also reviewed the ex-post evaluation reports of six projects. Five of these completed projects were based in China and one in Malaysia. The Committee selected one (1) completed project in Côte d'Ivoire for ex-post evaluation.
163. Dr. Malik reported that the Committee reviewed the status of twenty-two (22) projects and seven (7) pre-projects under implementation; three (3) projects and three (3) pre-projects awaiting implementation agreement; four (4) projects and six (6) pre-projects awaiting financing; and three (3) projects and one (1) pre-project falling under the sunset provisions.
164. The Committee recommended to Council five (5) projects and three (3) pre-projects for approval and funding.
165. On policy work, the Committee discussed a pre-project report which gave a critical assessment of the wood utilization efficiency and reduction of losses in lumber and plywood manufacturing plants in ITTO Producing Member Countries, emphasizing especially, on Ghana, Malaysia and Brazil. The Committee also discussed the work carried out under "Review of the Status of Further Processing of Tropical Timber in Producing Countries".
166. The Council unanimously approved the report. (The full report is attached as Annex IV).
167. Mr. Themotio Batoum (Cameroon), Chairperson of the Committee on Finance and Administration presented the report of the Committee. He referred to document CFA(IX)/9 Rev.1.
168. He reported that the Committee noted the full payment of contributions to the Administrative Budget by the following countries: Cameroon, Vanuatu, France, Bolivia, Portugal, Italy and Ireland. On the current status of the Administrative Account for 2001, the Committee decided to recommend to Council to authorize the Executive Director to transfer funds, only if necessary, from the Working Capital Account to the Administrative Account in the amount not exceeding US\$200,000 in the event of a deficit.
169. The Committee on Finance and Administrative recommended to Council to approve the Auditors report for the financial year 2000.
170. On the issue of resources of the Programme Support Fund, including translation costs, the Committee recommended to the Council to continue with the appointment of the post of

Finance/Administrative Officer with the resources of the Programme Support Fund, and to increase the Programme Support charge to defray expenses of the translation of Council and Committee documents, to 1.0 percent from the current provision of 0.5 percent.

171. Mr. Batoum reported that the CFA commended the report of the inter-sessional working group of the CFA on financial and administrative matters and requested the Executive Director to implement a uniform system with regard to the contribution by the Organization to the Provident Fund for all staff members, taking into account the required participation in the Japanese Social Security Scheme by staff members who are nationals or permanent residents in Japan, and maintaining a zero nominal growth in the Administrative Budget.
172. The report was unanimously approved by the Council. (The full report is attached as Annex IV)

DATES AND VENUES OF THE THIRTY-FIRST, THIRTY-SECOND AND THIRTY-THIRD SESSIONS OF THE COUNCIL AND THE ASSOCIATED SESSIONS OF THE COMMITTEES (Agenda Item 24)

173. Ms. Kayoko Fukushima (Japan) confirmed that the Government of Japan would host the Thirty-first Session of the Council in Yokohama, Japan from 29 October to 3 November 2001. She also proposed that the Thirty-third Session of the Council be held in Yokohama, Japan from 4 to 9 November 2002.
174. Dr. Untung Iskandar (Indonesia), on behalf of the Indonesia delegation proposed that the Thirty-second Session of the Council be held in Bali, Indonesia from 13 to 18 May 2002.
175. The representative of the Republic of Congo informed the Council on the offer by the Government of the Republic of Congo to host the Thirty-sixth Session of the Council in 2004.
176. The representative of Panama reconfirmed the offer by the Government of Panama to host the Thirty-fourth Session of the Council in May 2003.

OTHER BUSINESS (Agenda Item 25)

Statement by the delegation of the United States of America

177. Ms. Candy Green (U.S.A.) said that the United States would continue to contribute to the policy, technical and project work of ITTO. She stressed that ITTO had been operating as an Organization that addressed policy, projects and technical concerns. She recalled earlier discussion on the issue of illegal logging and its relevance to ITTO. She mentioned that illegal logging deprived Member Governments of ITTO significant revenues, not to mention the less quantifiable but equally, if not more significant, other benefits society would sacrifice if their forests were decimated. She indicated that decimation of forests was progressing at an alarming rate and that time was running out in our effort to save the forest resources of the world.
178. Ms. Green said that the United States felt very strongly that it was time for ITTO to begin helping its Members to understand the relevance of the issue of illegal logging, and to find solutions as well as assist Members to build their capacity to address the issue. She requested the Executive Director to include the issue of illegal logging on the agenda for the next Council Session. She informed the Council that the United States would include in its delegation to the next Session of Council an expert on the issue of illegal logging.
179. In her concluding remarks, Ms. Green urged the Council not to delay in addressing issues of relevance to the objectives of ITTO.

Statement by the Consumer Spokesperson

180. Ms. Aulikki Kauppila (Finland), on behalf of the Consumer Group said that the issue of illegal logging and trade was relevant for ITTO's consideration. She indicated that the issue was complex and deserved to be discussed at several fora, including ministerial and diplomatic levels. She said that the Consumer Group did not, however, see any reason to underestimate the contributions of forestry professionals and proposed that the issue of illegal logging be included in the agenda for the next Session of the Council.

Statement by the delegation of Brazil

181. Mr. Luciano Helmold Macieira (Brazil) called on the Executive Director to include the issue of illegal trade of timber and sustainable forest management on the agenda for the next Session of the Council.

Statement by the Trade Advisory Group

182. The statement was presented by Mr. Barney Chan Sek Tee (Malaysia).
183. He indicated that the Trade Advisory Group (TAG), comprising members of the private sector from both Producer and Consumer Countries expressed its appreciation to the Council for the opportunity to highlight important areas of concern in the tropical timber trade during the Annual Market Discussion. He drew Council's attention to the following issues:
- the need to remove overlapping regulations by different levels of government which leads to excessive costs, the subsidizing of other industries environmental costs and reducing tropical timber's competitiveness;
 - the need for further research into tropical timber competitiveness, in general, including the significant opportunities provided by life cycle analysis;
 - the need for further research into the future market prospects for tropical timber;
 - the call for ITTO to become actively involved in facilitating moves towards the mutual recognition of timber certification schemes and not endorse or be perceived to endorse any one particular scheme; and
 - the challenges involved in attaining sustainable forest management.
184. The TAG commended the Executive Director and the Secretariat's work on Communication and Outreach Activities since the last Council meeting.

Statement by the Delegate of Bolivia

185. Mr. Walter Nuñez Rodriguez (Bolivia), on behalf of the Producer Group expressed concern about the spirit of cooperation between Producers and Consumers. He expressed reservation about the mechanism for financing of projects which, in his opinion, tends to undermine the integrity of the Organization. He proposed that, at the next Session of the Council, based on the technical appraisal of the project proposals, and the recommendation of the Committees, the donors coordination group meeting should consider the projects to be financed and submit their report to the Council.
186. On forest policy dialogue, Mr. Rodriguez said that in-depth and considerable knowledge of co-responsibility between Consumers and Producers was required to be able to address the issue of sustainable forest management. He mentioned that sustainable forest management by Producer Countries provided global environmental benefits as well as biodiversity conservation and therefore the costs of sustainable forest management should be shared globally. He therefore called for mutual cooperation, with dignity, between Producers and Consumers.

Statement by the delegation of Indonesia

187. Dr. Untung Iskandar (Indonesia) recalled Decision 12(XXIX) and informed the Council that the Technical Mission would be returning to Indonesia in mid-July 2001. The Mission would carry out work on illegal logging, especially in national parks. He indicated that the issue of illegal logging and trade would be taken up during discussions on "Forest Law Enforcement" for South-East Asia Countries in September 2001 and suggested that ITTO should invite a rapporteur from the conference to brief Members at the next Session of Council.

Statement by the delegation of Côte d'Ivoire

188. H.E. Mrs. Angèle Boka Agoussi (Côte d'Ivoire) commended the Council for the high level of discussions on issues affecting sustainable forest management. She however expressed disappointment that the Council could not reach consensus on the issue of illegal logging and trade and hoped that the Council would revisit the issue during its next Session in Yokohama. She commended the Government of Cameroon for the excellent hosting of the Session. She also thanked all donor countries for their financing support.

Statement by the delegation of Malaysia

189. Dr. B.C.Y. Freezailah (Malaysia) commended Members of the Council for the spirit of cooperation and understanding that had ensured the success of the Council Session. He said that ITTO was confronted with various problems and difficulties in terms of implementing sustainable forest management. He particularly welcomed the proposal by the United States delegation to include

the issue of illegal logging on the agenda of the next Council Session. He further welcomed the information that the United States would include in its delegation to the next Session of Council, an expert on illegal logging.

190. Dr. Freezailah mentioned that the issue of illegal logging should be discussed within the wider concept of sustainable forest management, and that illegal logging should be viewed as a symptom and part of a wider issue of general economic development of a country. He indicated that illegal logging could not be divorced from the issue of poverty or general socio-economic development.

DECISIONS AND REPORT OF THE SESSION (Agenda Item 26)

191. The Chairperson referred to documents ITTC(XXX)/13 to ITTC(XXX)/24 comprising twelve Decisions for adoption by the Council at its Thirtieth Session. The Council approved all the twelve Decisions (these are reproduced in this report as Annex III). Amendments and editorial corrections were noted. Rule 33 of the Rules of Procedures was to be applied to the circulation of the Decisions and the report of the Council to Members.

CLOSING OF THE SESSION (Agenda Item 27)

Statement by the delegation of Japan

192. Mr. Shoji Sato (Japan), on behalf of the Government of Japan said that during the Kyushu-Okinawa Summit in July 2000, the G8 leaders agreed that their countries must shoulder a large part of the responsibility in solving the forests issue. The leaders also acknowledged that international intergovernmental organizations such as the ITTO must play an important role. Mr. Sato mentioned that the communiqué of the foreign ministers referred to the ITTO in the context of both sustainable forest management and mangrove conservation.
193. Mr. Sato expressed his disappointment that the Council could not reach agreement on a decision on illegal logging and illegal trade, in response to the call by the G8 leaders. He reminded the Council of the difficult times confronting the Government of Japan. He said that since the outset of the 1990s, the Japanese economy had been suffering from a complex illness resulting from the confluence of various factors, and that comprehensive structural reforms were imperative in order to solve these problems. He mentioned that the new Japanese Cabinet had been ceaselessly implementing the key economic and fiscal structural reforms leaving no sacred areas exempt from these reforms.
194. Mr. Sato, however, assured the Council that every effort would be made to keep present Japanese commitments to the ITTO.
195. He commended the Chairperson of the Council for her dedication and excellent leadership. He also extended his gratitude to the Vice-chairperson of the Council, the Spokespersons, the Chairpersons of the Committees, the Executive Director, the staff of the Secretariat, the translators, interpreters and other support staff.
196. Mr. Sato concluded his remarks by expressing his deep appreciation to the Government of Cameroon for the warm hospitality and valuable services rendered in hosting the Session.

Statement by the delegation of the European Community

197. Mr. Enzo Barattini (European Community), on behalf of the European Community commended the Chairperson of the Council for her efficient and dedicated leadership. He noted the large number of project proposals which were approved by the Council at the Session. Mr. Barattini also cited the decision on cooperation with FAO on the development of guidelines for the management of secondary tropical forests and rehabilitation of degraded forest lands as an important outcome of the Session.
198. Mr. Barattini welcomed the Yaoundé Process and the support provided by ITTO to achieve an integrated management of the forest resources of the Central African Region. He was however disappointed that the Council was unable to achieve consensus on all the issues on the agenda, particularly the issue of illegal logging, despite the tremendous efforts. He assured the Council that the European Community and its Member States would provide positive inputs in any future dialogue on the issue.

199. He expressed his gratitude to the Government of Cameroon for the hospitality and warm reception accorded to delegates. He commended the efforts of the Executive Director and staff of the Secretariat, the Spokespersons, the translators and interpreters.

Statement by the delegation of France

200. Mr. Patrick Falcone (France) expressed his agreement with earlier statements made by the delegation of the European Community and other delegates. He commended Members of the Council for the quality of debate. He expressed his gratitude to the Government of Cameroon for hosting the Session and the warm reception accorded to delegates. He also commended the efforts of the Secretariat.

Statement by the representative of the African Timber Organization (ATO)

201. Mr. Félix Essame (ATO), on behalf of the Secretary General of the ATO, said that sustainable forest management was of prime concern to governments throughout the continent of Africa. He mentioned that these concerns could be seen in the various bi-lateral and multi-lateral agreements signed by countries to obtain technical and financial support to improve the scientific management of forests.
202. He said that as an inter-governmental organization, the ATO had provided its Member Countries, within the framework of its mission and objectives, leadership for capacity building over the last ten years, resulting in forest policy development with the view to reducing the dependence on foreign technical assistance. He mentioned that ATO had carried out a lot of field work through the assistance of ITTO and other Organizations as well as NGOs.
203. On the issue of cooperation, Mr. Essame said that it was important for the countries concerned to cooperate globally, regionally and bilaterally so as to harmonize tropical forest management policies and ensure rational use for social, economic and environmental needs. He urged the international community to share in the cost of sustainable management of tropical forests.
204. Mr. Essame welcomed the commitment by ITTO to cooperate with ATO in seeking to implement forestry management tools adapted to the African context. He cited the ATO-ITTO Regional Workshop which was fully financed by the ITTO as testimony of the cooperation between ATO and ITTO. He said that ATO was ready to expand their cooperation with other organizations in the field of sustainable forest management.
205. In his concluding remarks, Mr. Essame expressed his sincere thanks to ITTO for the various assistance provided to ATO.

Statement by the Consumer Spokesperson

206. Ms. Aulikki Kauppila (Finland), on behalf of the Consumer Group, expressed her appreciation to the Government of Cameroon for hosting the Thirtieth Session of the ITTC, as well as for the cordial reception and generous hospitality accorded to delegates. She said that it was indeed very refreshing to have had the opportunity to see some of the culture of Cameroon.
207. Ms. Kauppila mentioned that negotiations between Consumers and Producers on draft decisions of complex and delicate nature had been carried out in good spirit.
208. On the decision making process of the Council, Ms. Kauppila said that there was still a lot to be done to adapt to the six-day Sessions and there was the need for Members to be realistic on how much could be achieved in one Session. She urged Members of the Producer Group to come up with proposals for improvements, especially if there was a feeling within the group that their interests were not being addressed by the Organization. She said that the Consumer Group were certainly willing to ensure that any decision taken by Council should be based on broad and open discussions.
209. She expressed her sincere appreciation to the Chairperson for her excellent leadership.

Statement by the Producer Spokesperson

210. Dr. Untung Iskandar (Indonesia), on behalf of the Producer Group, thanked the Government and people of Cameroon for the excellent organization of the Session.

211. On the decision on cooperation between ITTO, FAO and IUCN to develop guidelines on the management of secondary forests, Dr. Iskandar said that such cooperation would assist Producer Member Countries to improve the management of conservation areas, including national parks, protection forests and protected areas. He indicated that such cooperation would also improve capacity building and create favourable conditions to attract foreign direct investment. He mentioned that the cooperation with FAO and other international forestry organizations should lead to the provision of assistance to Member Countries to embark on certification.
212. Dr. Iskandar said that the decision on certification constituted a significant milestone for ITTO. He indicated that the decision would enable ITTO to assist Member Countries that might wish to pursue certification programmes, thereby leading to increased recognition by the market of timber and timber products from ITTO Member Countries.
213. Dr. Iskandar regretted that the Council could not reach a consensus on the issue of illegal logging and illegal trade. He proposed that Member Countries could continue the discussion by electronic means.
214. Dr. Iskandar commended the efforts of the Chairperson, Vice-chairperson, the Executive Director, and Secretariat Staff, the Consumer Spokesperson, translators and interpreters.

Statement by the Minister of Environment and Forestry of Cameroon

215. H.E. Mr. Sylvestre Naah Ondoa, Minister of Environment and Forestry of Cameroon, thanked the Council for choosing Cameroon to host the Thirtieth Session of the ITTC. He also expressed his gratitude to the donor countries for financing two project proposals submitted by the Government of Cameroon. He particularly mentioned the support and assistance provided by the Government of Japan.
216. On behalf of the Governments of the Central African Region, the Honourable Minister expressed his gratitude to the Council for the decision taken to strengthen and implement the Yaoundé Process. He said that the countries in the sub-region had committed themselves to a process of harmonizing policies in order to achieve sustainable forest management. He mentioned that the support provided by ITTO in that regard was very welcomed.
217. H.E. Mr. Sylvestre Naah Ondoa commended the Chairperson of the Council for her excellent leadership. He indicated that the decisions taken by Council would provide a new impetus to the work of the ITTO. He congratulated the Executive Director and staff of the Secretariat for the enormous contributions and support to the Council.
218. On behalf of His Excellency, the President and Prime Minister of Cameroon, Mr. Sylvestre Naah Ondoa bid all delegates 'bon voyage'.

Closing Statement by the Chairperson

219. Dra. Josefina Takahashi Sato (Peru), Chairperson of the Council, in her closing address to Council noted with satisfaction the progress made by Council towards the implementation of the ITTO Criteria and Indicators which was first approved in 1992 in Yaoundé. She was also pleased with progress made by the Organization in advancing support to Member Countries trying to achieve certification for their timber and timber products.
220. The Chairperson expressed her appreciation to all the international organizations that participated in the Thirtieth Session of the ITTC. She was also pleased with the number of decisions approved at the Session and thanked the Spokespersons for the excellent work. She said that the open and consultative approach adopted for the decision-making process enabled the Council to reach consensus on the decisions approved. She noted with satisfaction the progress being made by ITTO in important areas such as transboundary conservation.
221. The Chairperson also noted the growing portfolio of ITTO field projects, with the addition of twenty-five (25) new projects approved at the Session. She indicated that the ITTO projects were a fundamental component of the ITTO Work Programme to achieve the objectives of the Organization. She stressed once again that there was the need for ITTO to increase its regional presence, particularly in Africa and Latin America, in order to ensure proper monitoring of projects and to optimize benefits to Members in these two regions.

222. She expressed her thanks and appreciation to the Government and people of Cameroon for hosting the Session successfully. She thanked the Executive Director and the staff of the Secretariat for the support.
223. The Chairperson officially closed the Thirtieth Session of the ITTC.

ANNEX I

LIST OF PARTICIPANTS

Document: ITTC(XXX)/Info. 2 Rev.1

Distr.
General

ITTC(XXX)/Info.2 Rev.1
1 June 2001

English/French/Spanish

THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

LIST OF PARTICIPANTS

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LISTE DES PARTICIPANTS

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* * *

ANNEX II

AGENDA

DOCUMENTS: ITTC(XXX)/1

Distr.
GENERAL

ITTC(XXX)/1
29 March 2001

Original: ENGLISH

THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

AGENDA

1. Opening of the Session
2. Ascertainment of the Quorum
3. Adoption of Agenda and Organization of Work
4. Report on Membership of the Council
5. Report of the Credentials Committee
[Document ITTC(XXX)/3]
6. Proposed Distribution of Votes
7. Admission of Observers
8. Statement by the Executive Director
9. Report of the Informal Advisory Group (IAG) – Decision 5(XXVI)
[Document ITTC(XXX)/2]
10. CITES Listing Proposals by Members – Decision 3(XVI)
11. Report on Training Workshops and Field Testing of the Manual for the Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests – Decision 3(XXVI)
[Document ITTC(XXX)/5]
12. Revisiting Selected Issues and Relevant Draft Decisions considered at the Twenty-ninth Session – Decision 14(XXIX)
[Document ITTC(XXX)/6]
 - (a) Framework for Guidelines on the Management of Secondary Tropical Forests;
 - (b) Certification;
 - (c) Illegal Logging and Trade in Illegally Harvested Timber;
 - (d) Provision of Training on the Application of Criteria and Indicators in Producer Member Countries and Facilitation of Reporting of Progress Towards Achieving Sustainable Forest Management; and
 - (e) Guidelines for Establishing Auditing Systems for ITTO's Criteria and Indicators for Sustainable Forest Management.
13. ITTO Objective 2000 – Decision 2(XXIX)
[Document ITTC(XXX)/12]
14. Communications and Outreach Activities – Decision 3(XXIX)
[Document ITTC(XXX)/7]
15. Cooperation between the ITTO and ATO – Decision 4(XXIX)

16. Progress Report on the Implementation of the ITTO Work Programme for the Year 2001
– Decision 10(XXIX)
[Document ITTC(XXX)/8]
17. Matters Related to Article 35 of the ITTA, 1994
18. Strengthening Sustainable Forest Management in Indonesia – Decision 12(XXIX)
19. Report of the Expert Panel on the Role of ITTO in International and Regional Organizations and
Fora – Decision 13(XXIX)
[Document ITTC(XXX)/9]
20. Special Account and Bali Partnership Fund
 - (a) Pledges to the Special Account and the Bali Partnership Fund
 - (b) Review of the resources in the Bali Partnership Fund
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21. ITTO Fellowship Programme – Decision 4(XXVII)
 - (a) Progress Report on the ITTO Fellowship Programme
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 - (b) Report by the Chairperson of the Fellowship Selection Panel
[Document ITTC(XXX)/11]
22. Draft Annual Report for 2000
[Document ITTC(XXX)/4]
23. Reports of the Associated Sessions of the Committees
24. Dates and Venues of the Thirty-first, Thirty-second and Thirty-third Sessions of the Council and the
Associated Sessions of the Committees
25. Other Business
26. Decisions and Report of the Session
27. Closing of the Session

ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 - Opening of the Session

The Thirtieth Session will be opened by the Chairperson of the Council, Dra. Josefina Takahashi Sato (Peru).

Item 2 - Ascertainment of the Quorum

The Executive Director will report to the Council on the state of the quorum requirement for the start of the Session.

Item 3 - Adoption of Agenda and Organization of Work

The Council may decide to consider and adopt its Agenda. On the schedule of meetings, the Council may consider the draft schedule distributed under Decision 5(XXII), the advice of the Informal Advisory Group (IAG) and undertake due consultations in the Chairperson's Coordinating Bureau, issuing the timetable daily and at more frequent intervals as necessary. Registration shall be during 14:30-18:00 hours on Sunday, 27 May 2001, at Salon Bete "C", Hotel Hilton Yaoundé, and during 08:30-12:30 (Foyer – Palais des Congrès) and 15:30-17:00 hours (Foyer "Bouma Hall") on Monday, 28, and during 08:30-12:30 and 14:30-17:30 at Foyer "Bouma Hall" on Tuesday, 29 May 2001. The first Council meeting of the Session will convene at 10:00 hours on Monday, 28 May 2001. Please refer to the General Information Notes [Document ITTC(XXX)/Info.1] for details.

Item 4 - Report on Membership of the Council

The Executive Director will report on the status of membership of the Council.

Item 5 - Report of the Credentials Committee [Document ITTC(XXX)/3]

The Council may consider and adopt the Report of the Credentials Committee and approve the credentials of delegations.

Item 6 - Proposed Distribution of Votes

The proposed distribution of votes for the year 2001, in accordance with Article 10(6) of the ITTA, 1994, is shown in the Annex to this Agenda. In accordance with Article 19(4) of the ITTA, 1994, this distribution of votes will be used for the assessment of the contribution of each Member to the Administrative Budget for 2002.

Item 7 - Admission of Observers

The Council may decide to admit those States and Organizations which request admission to the Session as Observers. Two lists of such applicants will be submitted at the Session for consideration and decision. The first such list shall contain the names of all States and Organizations which have previously been admitted to Council Sessions, and the second those States and Organizations who are applying for admission on the first occasion at this Session.

Item 8 - Statement by the Executive Director

The Executive Director will address the Council and report on activities of the Organization and other developments of relevance to the Organization.

Item 9 - Informal Advisory Group (IAG) – Decision 5(XXVI)

[Document ITTC(XXX)/2]

Pursuant to Decision 5(XXVI), and in order to organize its work for the Session, the Council may consider the report of the Eighth Meeting of the Informal Advisory Group (IAG), to be convened on Sunday, 27 May 2001. Pursuant to this Decision, the Council may also wish to reassess the role of the IAG and its continued existence.

The report of the Eighth Meeting of the IAG will be presented by the Chairperson (Dra. Josefina Takahashi Sato).

Item 10 - CITES Listing Proposals by Members – Decision 3(XVI)

[Document ITTC(XXX)/4]

Pursuant to its Decision 3(XVI) the Council may arrange consultations on Members' proposals to list internationally traded tropical timber species in the CITES Appendices which have been reported to the Secretariat since the last Session.

Item 11 - Report on Training Workshops and Field Testing of the Manual for the Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests – Decision 3(XXVI)

[Document ITTC(XXX)/5]

The Council may consider the final report on the regional training workshops and field testing work and take any follow-up action it considers appropriate.

Item 12 - Revisiting selected issues and relevant draft Decisions considered at the Twenty-ninth Session – Decision 14(XXIX)

[Document ITTC(XXX)/6]

Pursuant to its Decision 14(XXIX) the Council may continue to consider the following draft Decisions:

- (a) Framework for Guidelines on the Management of Secondary Tropical Forests
 - Draft Decision contained in Document ITTC(XXX)/6
 - Report of the Consultants on Framework for Guidelines on Tropical Forest Management [Document ITTC(XXVIII)/11]
- (b) Certification
 - Draft Decision contained in Document ITTC(XXX)/6
- (c) Illegal Logging and Trade in Illegally Harvested Timber
 - Draft Decision contained in Document ITTC(XXX)/6
- (d) Provision of Training on the Application of Criteria and Indicators in Producer Member Countries and Facilitation of Reporting of Progress Towards Achieving Sustainable Management
 - Draft Decision contained in Document ITTC(XXX)/6
 - Report of the consultants contained in Document ITTC(XXX)/5
- (e) Guidelines for Establishing Auditing Systems for ITTO's Criteria and Indicators for Sustainable Forest Management
 - Draft Decision contained in Document ITTC(XXX)/6
 - Report of the Expert Panel contained in Document ITTC(XIX)/5
 - Report of the consultants contained in Document ITTC(XXIX)/16 Rev.1

Item 13 - Progress Report on ITTO Objective 2000 – Decision 2(XXIX)

The Executive Director will report on progress towards the implementation of Decision 2(XXIX):

- (a) Development of format for reporting on progress towards sustainable forest management using the ITTO's Criteria and Indicators [Document ITTC(XXX)/12];
- (b) Rendering assistance to producer countries, on request, to identify, in each country, those factors which most severely limit progress towards achieving Objective 2000 and sustainable forest management and to formulate an action plan to overcome these; and
- (c) Assistance in setting up ITTO Objective 2000 boards or nationally appropriate focal groups for achieving Objective 2000.

The Council may wish to consider the draft format for reporting on progress towards sustainable forest management using the ITTO's Criteria and Indicators.

Item 14 - Communications and Outreach Activities – Decision 3(XXIX)
[Document ITTC(XXX)/7]

Pursuant to Decision 3(XXIX) the Secretariat has taken action to improve communication and dissemination of information. The Council may wish to consider the report prepared by the Secretariat [Document ITTC(XXX)/7] providing information on:

- (i) Identification and preparation of messages on progress towards achieving Objective 2000;
- (ii) Development of communication outputs;
- (iii) Improvement of the use of the ITTO web site; and
- (iv) Integration of a communication and outreach strategy in the new ITTO Action Plan.

Item 15 - Cooperation between the ITTO and ATO – Decision 4(XXIX)

The Executive Director will report on progress in the implementation of Decision 4(XXIX), which provides for:

- (i) Refining ATO principles, criteria and indicators in order to make them compatible with ITTO Guidelines, Criteria and Indicators;
- (ii) Organizing a regional workshop; and
- (iii) Formulating a project proposal to further promote ATO-ITTO cooperation on principles, criteria and indicators for sustainable forest management.

Item 16 - Progress Report on the Implementation of the ITTO Work Programme for the Year 2001
[Document ITTC(XXX)/8]

The Council may consider the report on the implementation of the Work Programme for 2001.

Item 17 - Matters Related to Article 35 of the ITTA, 1994

The Council may review the scope of the ITTA, 1994 as stipulated in Article 35 of the ITTA, 1994.

Item 18 - Strengthening Sustainable Forest Management in Indonesia – Decision 12(XXIX)

The Executive Director will report on progress in the implementation of Decision 12(XXIX), which provides for the organization of a Technical Mission to assist promoting sustainable forest management in Indonesia.

Item 19 - Report of the Expert Panel on the Role of ITTO in International and Regional Organizations and Fora – Decision 13(XXIX)
[Document ITTC(XXX)/9]

The Council may consider the report of the Expert Panel established under Decision 13(XXIX).

Item 20 - Special Account and Bali Partnership Fund

- (a) Pledges to the Special Account and the Bali Partnership Fund

The Council may invite Members and Observers to announce any new contributions they may wish to pledge to the Special Account and the Bali Partnership Fund.

- (b) Review of the resources in the Bali Partnership Fund (Information on the resources of the Bali Partnership Fund are contained in Document CFA(IX)/5).

The Council may wish to conduct a review of the adequacy of the resources in the Bali Partnership Fund to meet the needs of Producing Members to achieve the purpose of the Fund, as called for in the ITTA, 1994, Article 21.

Item 21 - ITTO Fellowship Programme – Decision 4(XXVII)

The Council may consider: (a) the progress report prepared by the Secretariat on implementation of improvements to the ITTO Fellowship Programme, as called for in Decision 4(XXVII) [Document ITTC(XXX)/10]; and (b) the report of the Fellowship Selection Panel presented by its Chairperson [Document ITTC(XXX)/11]. The Council will announce the final selection of awards based on the Chairperson's report.

Item 22 - Draft Annual Report for 2000

[Document ITTC(XXX)/4]

The Executive Director will present the Draft Annual Report for 2000.

Item 23 - Reports of the Associated Sessions of the Committees

The Council will have before it the Reports of the Associated Sessions of the Committees presented by the respective Chairpersons. The Council may consider and adopt the recommendations contained in each of the Reports.

Item 24 - Dates and Venues of the Thirty-first, Thirty-second and Thirty-third Sessions of the Council and the Associated Sessions of the Committees

The Council may wish to confirm the dates of the Thirty-first Session to be held from 29 October to 3 November 2001, in Yokohama, and the Thirty-second Session to be held from 27 May to 1 June 2002, in Bali, Indonesia.

In order to maintain the established practice of setting Session dates and venue eighteen months in advance to facilitate logistical arrangements, the Council may also wish to set the dates of the Thirty-third Session to be held in Yokohama in the fall of 2002.

Item 25 - Other Business

The Council may consider any matters raised under this item.

Item 26 - Decisions and Report of the Session

The Council shall consider the proposed decisions and adopt them accordingly. In accordance with Rule 33 of the Rules of Procedure a report on the proceedings shall be prepared by the Executive Director and shall be circulated to all Members as soon as possible.

Item 27 - Closing of the Session

Following any final statements by Delegates, the Chairperson will close the Thirtieth Session of the Council.

Annex

PROPOSED DISTRIBUTION OF VOTES FOR 2001

	<u>No. of Votes</u>	
	2000	2001 (Proposed)
<u>PRODUCERS</u>		
Africa		
Cameroon	26	26
Central African Republic	25	26
Congo	25	26
Côte d'Ivoire	25	26
Democratic Republic of the Congo	26	26
Gabon	25	26
Ghana	25	26
Liberia	25	26
Togo	25	26
Asia & Pacific		
Cambodia	18	18
Fiji	14	14
India	25	25
Indonesia	136	144
Malaysia	130	118
Myanmar	27	27
Papua New Guinea	31	30
Philippines	15	15
Thailand	16	16
Vanuatu	14	14
Latin America/Caribbean		
Bolivia	26	26
Brazil	158	156
Colombia	24	24
Ecuador	16	16
Guyana	18	18
Honduras	13	13
Panama	13	13
Peru	29	30
Suriname	16	16
Trinidad and Tobago	12	12
Venezuela	22	22
Total:	1,000	1,000

	2000	<u>No. of Votes</u> 2001 (Proposed)
<u>CONSUMERS</u>		
Australia	15	15
Canada	14	14
China	156	176
Egypt	15	15
European Community		
Austria	11	11
Belgium/Luxembourg	21	23
Denmark	12	14
Finland	10	10
France	33	31
Germany	27	28
Greece	11	11
Ireland	12	13
Italy	32	35
Netherlands	28	28
Portugal	20	19
Spain	28	27
Sweden	11	11
United Kingdom	37	39
Japan	323	287
Nepal	10	10
New Zealand	10	10
Norway	11	11
Republic of Korea	77	69
Switzerland	11	10
United States of America	65	83
Total:	<u>1,000</u>	<u>1,000</u>

* * *

ANNEX III

TEXT OF THE MAIN DECISIONS

ADOPTED BY THE COUNCIL AT ITS THIRTIETH SESSION

Documents:	DECISION 1(XXX)	ITTC(XXX)/13
	DECISION 2(XXX)	ITTC(XXX)/14
	DECISION 3(XXX)	ITTC(XXX)/15
	DECISION 4(XXX)	ITTC(XXX)/16
	DECISION 5(XXX)	ITTC(XXX)/17
	DECISION 6(XXX)	ITTC(XXX)/18
	DECISION 7(XXX)	ITTC(XXX)/19
	DECISION 8(XXX)	ITTC(XXX)/20
	DECISION 9(XXX)	ITTC(XXX)/21
	DECISION 10(XXX)	ITTC(XXX)/22
	DECISION 11(XXX)	ITTC(XXX)/23
	DECISION 12(XXX)	ITTC(XXX)/24

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ITTC(XXX)/13
2 June 2001

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 1(XXX)

PROJECTS, PRE-PROJECTS AND ACTIVITIES

The International Tropical Timber Council,

Having considered at its Thirtieth Session the recommendations of the three Committees on Projects, Pre-Projects and Activities, as contained in documents CEM(XXVIII)/7, CRF(XXVIII)/8 and CFI(XXVIII)/11;

1. Decides:

(i) to approve the following Projects:

PD 34/00 Rev.2 (M)	Extension and Consolidation of the National Forest Statistical Information System (Bolivia) (\$352,005.00)
PD 74/01 Rev.1 (M)	Development and Implementation of Guidelines to Control Illegal Logging for Sustainable Forest Management in Indonesia (Indonesia) (\$665,850.00)
PD 87/01 Rev.1 (M)	Development of the <i>Integrated Forestry Compendium: A Knowledge Base for Forest Management and the Forest Product Industry</i> (Ghana) (\$442,777.00)
PD 28/00 Rev.2 (F)	Integrated Management of the Valley of Mefou and Afamba (Province Centrale Du Cameroon) (Cameroon) (\$563,265.00)
PD 41/00 Rev.3 (F,M)	Model Development to Establish Commercial Plantation of Dipterocarps (Indonesia) (\$461,212.00)
PD 44/00 Rev. 3 (F) Phase II	The Implementation of a Community-Based Transboundary Management Plan for the Betung-Kerihun National Park, West Kalimantan, Indonesia – Phase II (Indonesia) (\$764,954.00)
PD 60/01 Rev.1 (F)	Sustainable Management and Rehabilitation of Mangrove Forests by Local Communities on the Caribbean Coast of Colombia (Colombia) (\$583,626.00)

PD 66/01 Rev.1 (F)	Establishment of the Mengamé-Minkébé Transboundary Gorilla Sanctuary (MMGS) at the Cameroon-Gabon Border (Cameroon) (\$770,751.00)
PD 67/01 Rev.1 (F)	Dissemination of Forest Development and Research Results obtained during the Implementation of the Technical Project for Forest Conservation-CEMARE (Panama) (\$147,173.00)
PD 86/01 Rev.1 (F)	SAR Systems for Operational Forest Monitoring in Indonesia (\$273,414.00)
PD 12/99 Rev.3 (F) Phase III	Model Forest Management Area (MFMA) Phase III (Malaysia) (\$966,700.00)
PD 51/00 Rev.2 (I,M)	Improvement of Rubberwood Utilization and Marketing in Thailand (Thailand) (\$406,138.00)
PD 65/01 Rev.2 (I)	Training in Reduced Impact Logging in Cambodia (Cambodia) (\$274,933.00)
PD 69/01 Rev.2 (I)	Improved and Diversified Use of Tropical Plantation Timbers in China to Supplement Diminishing Supplies from Natural Forests (China) (\$588,815.00)
PD 77/01 Rev.2 (I,F)	Contribution to the Development of Skills and Technical Training Structures at the Mbalmayo National School of Forestry, Central Province of Cameroon (Cameroon) (\$274,880.00)
PD 85/01 Rev.2 (I)	Strategies for the Development of Sustainable Wood-Based Industries in Indonesia (Indonesia) (\$479,603.00)

- (ii) to authorize financing for immediate implementation of the following Projects approved at this Session:

PD 34/00 Rev.2 (M)	(\$352,005.00)
PD 74/01 Rev.1 (M)	(\$665,850.00)
PD 28/00 Rev.2 (F)	(\$563,265.00)
PD 44/00 Rev.3 (F) Phase II	(\$764,954.00)
PD 60/01 Rev.1 (F)	(\$583,626.00)
PD 51/00 Rev.2 (I,M)	(\$406,138.00)
PD 65/01 Rev.2 (I)	(\$274,933.00)
PD 69/01 Rev.2 (I)	(\$588,815.00)
PD 77/01 Rev.2 (I,F)	(\$274,880.00)

- (iii) to authorize the release of additional funds for the continued implementation of the following Projects:

PD 26/96 Rev.4 (F)	(\$90,591.00)
PD 58/97 Rev.1 (I)	(\$120,159.00)

- (iv) to authorize the release of additional funds in the amount of \$200,000.00 for the continued implementation of the Freezailah Fellowship Fund;

- (v) to authorize financing for immediate implementation as soon as earmarked funds are available in the Special Account or the Sub-Account A of the Bali Partnership Fund, of the following Projects approved at this Session:

PD 87/01 Rev.1 (M)	(\$442,777.00)
PD 41/00 Rev.3 (F,M)	(\$461,212.00)
PD 66/01 Rev.1 (F)	(\$770,751.00)
PD 67/01 Rev.1 (F)	(\$147,173.00)
PD 86/01 Rev.1 (F)	(\$273,414.00)
PD 12/99 Rev.3 (F) Phase III	(\$966,700.00)
PD 85/01 Rev.2 (I)	(\$479,603.00)

2. Decides:

- (i) to approve the recommendations of the Committees to implement the following Pre-Projects:

PPD 23/01 (M)	Analysis of Tropical Timber Production and Trade Patterns in French-Speaking African Countries During the 90s-Challenges for the 21 st Century (Togo) (\$29,910.00)
PPD 26/01 (M)	Assessing the Feasibility of and Support for a Tropical Timber Promotional Campaign (ITTO) (\$47,600.00)
PPD 27/01 (M)	Review of PNG's Timber Treatment Process (PNG) (\$48,000.00)
PPD 11/00 Rev.2 (F)	Development of an Integrated Regional Forestry Master Plan for the Eco-Floristics Area in order to Develop Participatory Forest Management (Togo) (\$72,668.00)
PPD 17/01 Rev.1 (F)	Action Plan on Sustainable Mangrove Management (Global) (Japan) (\$181,485.00)
PPD 22/01 (F)	Tropical Forest Fire Monitoring and Management System based on Satellite Remote Sensing Data in China (China) (\$49,100.00)
PPD 24/01 (F)	Development of National Criteria and Indicators for Sustainable Forest Management in the Congo based on the ITTO Criteria and Indicators (Congo) (\$39,510.00)
PPD 16/01 Rev.1 (I)	Timber Enhancement through Mechanical Processing (Congo) (\$47,370.00)
PPD 19/01 Rev.1 (I)	Sustainable Management of Non-Timber Forest Products (NTFPs) in Congo's Forests under Sustainable Management (Congo) (\$93,562.00)
PPD 21/01 Rev.2 (I)	Promotion of Secondary Species from Cameroon Forests (Cameroon) (\$44,205.00)
PPD 25/01 (I,M)	Review of International Wooden Furniture Markets (Global) (\$169,065.00)

- (ii) to authorize financing for immediate implementation of the following Pre-Projects approved at this Session:

PPD 11/00 Rev.2 (F)	(\$72,668.00)
PPD 17/01 Rev.1 (F)	(\$181,485.00)
PPD 24/01 (F)	(\$39,510.00)
PPD 16/01 Rev.1 (I)	(\$47,370.00)

- (iii) to authorize the release of additional funds in the amount of \$75,000.00 for the continued implementation of the following Activity approved at an earlier Session, to be financed from earmarked funds in the Special Account or the Sub-Account A of the Bali Partnership Fund:

PP-A/29-89 Strengthening Sustainable Forest Management in Indonesia
[Decision 12(XXIX)] Additional Funding

- (iv) to authorize financing for immediate implementation as soon as earmarked funds are available in the Special Account or the Sub-Account A of the Bali Partnership Fund, of the following Pre-Project approved at this Session:

PPD 23/01 (M)	(\$29,910.00)
PPD 26/01 (M)	(\$47,600.00)
PPD 27/01 (M)	(\$48,000.00)
PPD 22/01 (F)	(\$49,100.00)
PPD 19/01 Rev.1 (I)	(\$93,562.00)
PPD 21/01 Rev.2 (I)	(\$44,205.00)
PPD 25/01 (I,M)	(\$169,065.00)

3. Decides:

- (i) to authorize financing for immediate implementation of the following Projects which were approved at earlier Sessions:

PD 49/99 Rev.2 (F)	(\$393,990.00)
PD 35/99 Rev.4 (I)	(\$139,999.00)

- (ii) to authorize the amendment in the budget and the immediate implementation of the following Project which was approved at an earlier Session:

PD 17/00 Rev.3 (F)	(\$1,253,783.00)
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- (iii) to authorize financing for immediate implementation of the following Pre-Project which was approved at an earlier Session:

PPD 15/99 Rev.2 (I)	(\$71,740.00)
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4. Decides to authorize financing for immediate implementation of the following Activity from resources obtained through voluntary contributions:

- The Role of ITTO in International and Regional Organizations and Fora [Decision 7(XXX)]

5. Decides to authorize financing for immediate implementation of the following Activities, Pre-Projects and Projects from resources of the Sub-Account B of the Bali Partnership Fund and/or from resources obtained through voluntary contributions, as noted in the relevant Decisions:

- Expert Panel for Technical Appraisal of Project Proposals, Twenty-second Meeting (\$93,500.00);
- Cooperation with FAO to Convene an International Conference on Criteria and Indicators for Sustainable Forest Management (\$150,000.00) [Decision 5(XXX)];

- Guidelines for the Management of Secondary Tropical Forests, Tropical Forest Restoration and Rehabilitation of Degraded Forest Lands (\$200,000.00) [Decision 6(XXX)];
 - Cooperation between the International Tropical Timber Organization (ITTO) and IUCN – The World Conservation Union (\$188,000.00) [Decision 8(XXX)];
 - Reporting Formats and Training for ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests (\$832,500.00) [Decision 9(XXX)];
 - Certification (\$172,380.00) [Decision 10(XXX)]; and
 - Strengthening Sustainable Forest Management in Central African Countries (Congo Basin) (\$120,000.00) [Decision 11(XXX)].
6. Urges Members to consider financing those approved Projects, Pre-Projects and Activities for which funds are not immediately available,
 7. Appeals to Members to make unearmarked contributions to the Special Account which comprise at least 10% of the total value of their pledges, in accordance with Decision 6(XIII), the remainder being voluntary contributions allocated to approved Projects, Pre-Projects and Activities and furthermore decides that such unearmarked contributions shall not be allocated without the prior authorization of the Council,
 8. Further appeals to Members to also make voluntary contributions to the Bali Partnership Fund, particularly to the Sub-Account B of this Fund to finance Projects, Pre-Projects and Activities to assist Members in achieving the Year 2000 Objective of ITTO,
 9. Requests the Executive Director to continue consultations with potential donors and the Common Fund for Commodities in order to secure financing for those Projects, Pre-Projects and Activities for which funds are not immediately available.

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2 June 2001

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 2(XXX)
PROGRAMME SUPPORT FUND
OF THE SPECIAL ACCOUNT AND THE BALI PARTNERSHIP FUND

The International Tropical Timber Council,

Recalling its Decision 8(XXVIII) which approved, for an initial period of one year a post of Finance/Administrative Officer, under the resources of the Programme Support Fund, to oversee administrative and financial control of projects financed from the Special Account and the Bali Partnership Fund;

Recognizing the need to strengthen the administrative and financial control of projects financed from the Special Account and the Bali Partnership Fund;

Recalling its Decisions 5(XI), 4(XV) and Rule 16 of the "Financial Rules Relating to Projects of the International Tropical Timber Organization" regarding the resources of the Programme Support Fund, which decided that 5.5% of the basic budget of projects, pre-projects, and Council-approved activities (all budget components which are not the Programme Support charge), except in the case of ITTO-executed projects, pre-projects, and Council-approved activities, when this figure will be 10.5% (including monitoring and evaluation costs), shall be deposited as Programme Support in the Special Account;

Recalling also that 0.5% of the basic project or pre-project budget, being part of the aforementioned programme support charge, shall be utilised to defray part of the expenses of translation of Council and Committee documents, and projects and pre-project documents, into ITTO's working languages;

Recalling also its Decision 7(XXVI) which decided to review the costs of translation at the Thirtieth Session;

Acknowledging with gratefulness the continued willingness of the Government of Japan to bear translation costs of project and pre-project proposals, Council and other Committee documents;

Noting that the translation costs as at the end of year 2000 exceeded by an amount of US\$217,732.09 the funds for translation costs provided by Japan and the 0.5% programme support charge allocated to defray such expenses;

Taking note of the report of the Inter-Sessional Working Group on Financial and Administrative Matters [CFA(IX)/7], in which the Secretariat provided information regarding two completed projects and one activity where excess expenditures were incurred during 1996 to 1999;

Acknowledging that the Inter-Sessional Working Group commended the Secretariat for its effort in limiting the unresolved financial matters to only a few, while dealing with a huge number of activities, pre-projects and projects;

Noting the recommendations made by the Committee on Finance and Administration at its Ninth Session regarding its review of the personnel costs chargeable to the resources of the Programme Support Fund, inadequacy of the resources allocated for document translation costs in the Programme Support and to write-off the excess expenditure incurred under the completed project and activity;

Decides to:

The Post of Finance/Administrative Officer:

1. Authorize the Executive Director to continue with the employment of a qualified person to the post of Finance/Administrative Officer, taking into account the availability of resources in the Programme Support Fund of the Special Account;

Document Translation Costs:

2. Authorize the transfer of an amount of US\$217,732.09 from the General Programme Support to the component of "Translation Costs" in the Programme Support to eliminate most of the deficit incurred in that account as at the end of the financial year 2000;
3. Increase the charges to be deducted in all budgets of projects, pre-projects and activities, to defray the costs of translating project and pre-project proposals to the percentage of 1.0% [from the current 0.5% decided in Decision 4(XV)]; and
4. Accordingly, to increase the total charges to be deducted in all budgets of projects, pre-projects and activities, to the percentage of 6.0% [from the current percentage of 5.5%], except in the case of ITTO-executed Pre-Projects, Projects, and Council-approved activities, when this figure will be 11% [from the current percentage of 10.5%], to be deposited as Programme Support in the Special Account;

To Offset Excess Expenditure incurred under completed project and activity:

5. Authorize the Executive Director to write off the excess expenditure to the Programme Support Fund under the Special Account for the following:
 - (i) PD 2/95 Rev.1 (F,I)
Book and Databank on the Lesser-Known Timbers of South-East Asia: Volume 5(3) within the PROSEA Programme
Amount to be written off: US\$51,660.00
 - (ii) PP-A/20-50
Update of Study on Certification of all Internationally Traded Timber and Timber Products [Decision 4(XX)]
Amount to be written off: US\$11,780.79
 - (iii) PD 26/92 Rev.1 (F,I)
Development of Methods and Strategies for Sustained Management of Moist Tropical Forest in Cameroon
Amount to be written off: US\$70,361.58

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 3(XXX)

MANAGEMENT OF THE ADMINISTRATIVE BUDGET FOR 2001

The International Tropical Timber Council,

Appreciating the continuing efforts made by the Executive Director and his staff in exercising cost savings in the expenditures from the Administrative Budget for the year 2001;

Noting with concern the total receipts of contributions from members to the Administrative Budget for 2001;

Recognizing that the possible receipts of contributions from members to the Administrative Budget for the remainder of 2001 might fall short of the estimated total expenditures;

Noting further that the balance of the Working Capital Account at present stands at US\$3,782,244.12;

Decides to:

1. Authorize the Executive Director to transfer, if necessary, an amount not exceeding US\$200,000.00 from the Working Capital Account to the current account in the Administrative Account to meet the shortfall of funds to implement the work programme of the Organization for the year 2001, until the Thirty-first Session of the Council in October 2001;
2. Request members to pay as early as possible and in full their contributions to the Administrative Budget for 2001, as well as all arrears in contributions from previous years, to prevent further erosion of the Organization's savings through the utilization of the Working Capital Account to meet shortfalls in contributions;
3. Urge the Secretariat to continue to look for cost saving measures to reduce further the expenditures to the Administrative Budget; and
4. Review the status of the Administrative Budget for 2001 at the Thirty-first Session with a view to determine the net estimated shortfall for the current year at that time.

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28 May – 2 June 2001
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DECISION 4(XXX)

MANAGEMENT OF SUB-ACCOUNT B OF THE BALI PARTNERSHIP FUND

The International Tropical Timber Council,

Recalling Decision 9(XXVII) on the prioritization and monitoring of actions, pre-projects and projects funded by Sub-Account B of the Bali Partnership Fund and Decision 6(XXVI) on the management of the Bali Partnership Fund and funding of actions defined by the current ITTO Action Plan;

Noting that the mechanism for prioritization and monitoring of actions, pre-projects and projects funded by Sub-Account B of the Bali Partnership Fund as was established under Decision 9(XXVII) is due for review at the Thirtieth Session of the Council;

Taking note of the report of the Inter-Sessional Working Group on Financial and Administrative Matters [CFA(IX)/7], in which the recommendation was made to form a Sub-Committee of Sub-Account B of the Bali Partnership Fund as a Working Group of the Council and be re-designated as "Panel on Sub-Account B of the Bali Partnership Fund (BPF)" and to report directly to the Council;

Also noting the recommendations made by the Committee on Finance and Administration at its Ninth Session regarding its review of the report of the Inter-Sessional Working Group on Financial and Administrative Matters;

Decides to:

1. Build upon Decisions 6(XXVI), 9(XXVII) and recommendations of the Inter-Sessional Working Group on Financial and Administrative Matters, by implementing the following mechanism:
 - (i) Establish, at each Session, a Panel on Sub-Account B of the Bali Partnership Fund (BPF) that will report directly to the Council;
 - (ii) The Panel shall be chaired by the Chairperson of the CFA, and composed of:
 - (a) three consumer member representatives that are main contributors to the Bali Partnership Fund;
 - (b) three producer member representatives, one from each geographic region; and
 - (c) the Executive Director;
 - (iii) During Council Sessions the Panel shall consider actions/activities, pre-projects and projects that are eligible for funding under Sub-Account B of the Bali Partnership Fund;
 - (iv) The Panel shall prioritize these draft decisions taking into account the "Criteria and Priorities to Finance actions/activities, pre-projects and projects under Sub-Account B of the Bali Partnership Fund" as detailed in the Annex to this Decision;

- (v) The Panel shall, in consultation with the Secretariat, take into account the need to set a funding limit (per session/per year) with regard to the allocation of funds for approved activities, pre-projects and projects in view of the availability of the limited resources under Sub-Account B of the Bali Partnership Fund. In the Panel's deliberations, the procedures established for the Special Account under Chapter VI of the ITTA, 1994 shall apply;
 - (vi) The Panel will forward its priority list, including recommended allocations to the Council for consideration; and
 - (vii) The Panel will also meet during the Council Sessions to monitor and review the management of Sub-Account B and the progress of actions, pre-projects and projects funded under this Sub-Account;
2. Requests the Consultants and the Expert Panel engaged for Activity PA/29-98 on the New ITTO Action Plan [Decision 11(XXIX)] to review the priority actions identified by the Council in Decision 8(XXV) and in the ITTO Libreville Action Plan to ensure their continued relevance in future ITTO Action Plans. The revised priority actions identified are to be utilized as the criteria by the Panel, for the determination of priority funding; and
 3. Strongly encourage Members to make contributions to the Bali Partnership Fund and in particular to its Sub-Account B.

ANNEX

Criteria and Priorities to Finance Actions/Activities, Pre-Projects and Projects under Sub-Account B of the Bali Partnership Fund

The Panel on Sub-Account B of the Bali Partnership Fund (BPF) shall consider and recommend non-country specific actions/activities, pre-projects and projects designed to directly assist tropical timber producing members to achieve the Objective of Article 1(d) of the ITTA, 1994 – “To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000”.

Eligible activities * shall meet the following criteria:

- (i) Be designed and related to the implementation of those activities captured under the goals of the ITTO Action Plan that are non-country specific.
- (ii) Be of global or regional benefit.

Within eligible activities highest priority will be given to:

- (i) Activities approved in Council Decisions directly related to the promotion of sustainable forest management through one or more of the priority areas established through the Council decisions and the ITTO Action Plan ** as shown below:
 - To adopt a forest policy and enforce legislation,
 - To establish and secure a Permanent Forest Estate,
 - To reduce the damage done by timber harvesting to the physical and social environments and to the forest eco-system,
 - To train the work force to accelerate the use of reduced impact logging,
 - To secure the production of the optimal mix of goods and services and limit timber harvesting to the sustained yield capacity;

AND

- (ii) Approved pre-projects and projects formulated and submitted in response to the recommendation by the Council, by more than one of the Committees or a Committee;

AND

- (iii) Activities that the Panel by consensus deems urgent.

The Panel shall prioritize the eligible actions/activities, pre-projects and projects and recommend a priority list to the Council for consideration in light of the eligibility and prioritization criteria and requirements detailed above.

The Panel shall also make its recommendations taking into account the resources available in Sub-Account B of the BPF at that Session.

The Panel shall endeavor to take decisions on its recommendations on eligibility and priorities by consensus. If consensus cannot be reached, the Panel shall take decisions and make recommendations by simple majority.

* Activities refers to “actions/activities, pre-projects and projects”.

** Priority areas are to be updated to reflect the revised priority areas adopted in new ITTO Action Plans.

THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 5(XXX)

COOPERATION WITH FAO TO CONVENE AN INTERNATIONAL CONFERENCE ON CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

The International Tropical Timber Council,

Recalling Decision 3(XXVI) which, *inter alia*, requested the Executive Director to cooperate with and support regional and international criteria and indicators initiatives worldwide;

Further recalling Decision 13(XXIX) on the role of ITTO in international and regional organizations and fora;

Noting from the report of the Expert Panel convened under Decision 13(XXIX) the extensive collaboration undertaken to date by FAO and ITTO in the area of criteria and indicators for sustainable forest management;

Further noting the request of FAO for ITTO to co-sponsor in 2002 an international conference on criteria and indicators for sustainable forest management;

Decides to:

1. Fully support ITTO's co-sponsorship of an international conference with the theme: "The Contribution of Criteria and Indicators to Sustainable Forest Management: The Way Forward";
2. Request the Executive Director to provide for ITTO Secretariat participation in the Steering Committee established to guide preparations for the conference and in the conference itself;
3. Urge Member countries to nominate qualified personnel to attend the conference and report on their experiences with the ITTO criteria and indicators;
4. Authorize the Executive Director to render financial assistance to producer Member countries to participate in the conference; and
5. Authorize the Executive Director to seek voluntary contributions from Member countries to meet the financial requirements of this decision, not exceeding US\$150,000.00. If sufficient contributions are not received by 31 October 2001, the Executive Director is requested to use funds from the Sub-Account B of the Bali Partnership Fund.

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DECISION 6(XXX)

GUIDELINES FOR MANAGEMENT OF SECONDARY TROPICAL FORESTS, TROPICAL FOREST RESTORATION AND REHABILITATION OF DEGRADED FOREST LANDS

The International Tropical Timber Council,

Recalling action 3, goal 2 for Reforestation and Forest Management in the Libreville Action Plan and Decision 7(XXV) on the ITTO Programme of Work for 1999 for the Committee on Reforestation and Forest Management item (ii) that call for the development of guidelines on the rehabilitation of degraded forests and forest lands, including guidelines on the management of secondary forests;

Acknowledging the complementary work of FAO in the area of guidelines for the management of secondary forests and noting its interest to collaborate with ITTO in the formulation of guidelines for the management of secondary tropical forests;

Noting the report of the Consultants prepared under Decision 6(XXVII);

Further noting the current discussions on the role of ITTO in international fora and cooperation with relevant international organizations and all tropical countries;

Recognizing the need for ITTO to assist its Member countries to develop national guidelines and related tools to build capacity and help accelerate progress toward Objective 2000;

Further recognizing that IUCN's "Forests Reborn" initiative, FAO's proposal for the development of guidelines for secondary forest management and ITTO's work on forest restoration have mutually compatible goals and that collaboration between the three organizations in this area could lead to synergies of effort that would mutually benefit them;

Realizing that the development of guidelines for the rehabilitation of degraded forests lands will complement the existing ITTO guidelines and criteria and indicators and contribute to the development of a comprehensive framework for sustainable forest management;

Decides to:

1. Request the Executive Director to develop guidelines in collaboration with FAO, IUCN and other relevant organizations for:
 - the management of secondary tropical forests;
 - the restoration of degraded tropical forests; and
 - the rehabilitation of degraded forest lands;
2. Authorize the Executive Director to engage two consultants, one from a producer country and one from a consumer country to work closely with FAO, IUCN and other relevant organizations to develop a set of draft ITTO guidelines mentioned in paragraph (1);

3. Request the Executive Director to convene an expert panel composed of six producer and six consumer Members, one representative of FAO, one representative of IUCN and two representatives of the NGO community to consider the draft guidelines and any suggestions made by Member countries, and to report to Council by its Thirty-second Session in May 2002; and
4. Authorize the Executive Director to seek voluntary contributions from Member countries to meet the financial requirements of this Decision, not exceeding US\$200,000.00. If sufficient contributions are not received by 31 July 2001, the Executive Director is requested to use funds from the Sub-Account B of the Bali Partnership Fund.

* * *

Distr.
GENERAL

ITTC(XXX)/19
2 June 2001

Original: ENGLISH

THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 7 (XXX)

THE ROLE OF ITTO IN INTERNATIONAL AND REGIONAL ORGANIZATIONS AND FORA

The International Tropical Timber Council,

Recalling Decision 13(XXIV) on the role of ITTO in international and regional organizations and fora;

Welcoming the Report of the Expert Panel on the Role of ITTO in International and Regional Organizations and Fora;

Recognizing that some measures for enhancing ITTO's role in international and regional organizations and fora can be accommodated within existing resources while other measures will require additional funding allocations from Administrative Account, Special Account or Bali Partnership Fund;

Noting that the first substantive session of the United Nations Forum on Forests (UNFF) will convene in New York, from 11 to 22 June 2001, to decide its multi-year program of work, including the plan of action to implement the IPF/IFF proposals for action, and that country led initiatives on issues relevant to ITTO's objectives are likely to be initiated over time;

Also noting the intention of FAO and UNEP to second professional staff to the UNFF secretariat, and urging other members of the Collaborative Partnership on Forests (CPF) to follow suit;

Decides to:

1. Request the Executive Director to pursue the measures in Annexes A and B to this decision for effective ITTO involvement in international and regional organizations and fora, in particular in the newly established UNFF and CPF, taking into account the expected benefits and timing of relevant international and regional events, and to provide progress reports to Council on a regular basis during this timeframe;
2. Request the Executive Director to undertake the measures identified in Annex A within the approved budget of the Administrative Account, and to take into account that enhanced ITTO participation in multiple international and regional meetings will have implications for future Administrative Budgets;
3. Authorize the Executive Director to seek voluntary contributions from Member countries to support the measures identified in Annex B, which are expected to require additional financial allocations from the Administrative Account, Special Account or Bali Partnership Fund;
4. Also authorize the Executive Director to offer ITTO co-sponsorship, assuming funds are available, of any UNFF country-led initiatives on issues relevant to ITTO objectives and urge Member countries to provide voluntary contributions to the Special Account for this purpose;

5. Further authorize the Executive Director to make the necessary arrangements to second as soon as possible a highly qualified professional to the UNFF secretariat for a two-year period, assuming funds are made available, and urge Member countries to provide voluntary contributions to the Special Account for this purpose;
6. Review the effectiveness and benefits of such a secondment at the end of that period prior to considering whether or not to renew or extend the secondment;
7. Incorporate as appropriate the measures contained in Annexes A and B in the ITTO Action Plan for 2002-2006 taking into account the criteria proposed by the Expert Panel; and
8. Review and update as needed the measures contained in Annexes A and B at its Thirty-third Session in Yokohama in October 2002, in view of progress made and relevant international and regional events.

ANNEX A

EFFECTIVE ITTO INVOLVEMENT IN INTERNATIONAL AND REGIONAL ORGANIZATIONS AND FORA

Measures which Could Be Pursued within Existing Resources

International Organizations and Conventions

UNFF

- Be actively involved in UNFF meetings at ED level (especially regarding trade and environmental issues, forest monitoring and forest conservation and sustainable management).
- Prepare papers on issues under the UNFF Multi-Year Programme of Work where ITTO has comparative advantage.
- Be actively involved in UNFF ministerial segments and multi-stakeholder dialogues.
- Host and lead side events at UNFF meetings (with CPF partners as appropriate) on key UNFF topics related to ITTO's mandate and to highlight recent ITTO accomplishments and innovations.
- Participate in relevant *ad hoc* technical expert groups convened by UNFF.

CPF

- Serve as lead agency on issues where ITTO has comparative advantage.
- Participate in development of the UNFF plan of action on IPF/IFF implementation.
- Advance work within the CPF on using C&I for national forest assessment, monitoring and reporting, including in the context of UNFF.

FAO

- Continue and enhance coordination and cooperation on trade statistics, including collaborative reporting on statistics.
- Strengthen coordination with FAO regional commissions, including having the three ITTO Technical Committees report on activities of the commissions during Committee sessions, with a view to considering areas for joint project work.
- Strengthen communication and cooperation between Secretariats on areas of mutual interest, such as capacity building, criteria and indicators, FRA, forest contribution to carbon cycles, forest fires, improved harvesting techniques, improved processing techniques, and, when appropriate, certification and mutual recognition.
- Consider development of an MOU on collaboration activities.

CITES

- Continue to actively participate, preparatory to CITES COP 11, in the Timber Working Group, the listing criteria working group and the bushmeat working group with a view to supporting informed discussions at CITES COP 11 in 2002.

WTO

- Provide information on ITTO's trade and environment activities.
- Monitor and report to Council developments on WTO's initiative on Accelerated Tariff Liberalization (ATL) in the forest sector.
- Participate in meetings of WTO and WTO's CTE when feasible.

CBD

- Contribute to CBD deliberations on conservation of forest biodiversity through the *ad hoc* expert meetings in forests, SBSTTA 7 and COP 6 to be held in The Hague in April 2002.

CIFOR

- Continue cooperation on issues of mutual interest, such as criteria and indicators and low impact logging.

ICRAF

- Explore the possibility of dialogue and collaborative work in areas of mutual interest.

UNEP

- Continue and explore the possibility for increased cooperation, including joint sponsorship of workshops in areas of mutual interest related to sustainable forest management, such as forest fires.

COMMON FUND FOR COMMODITIES

- Request the three ITTO Technical Committees to consider procedures for developing project proposals that meet the requirements of, and can be considered for funding by, the Common Fund for Commodities.

CSD/RIO + 10

- Collaborate as appropriate with FAO (Agenda 21 task manager for forests and land use) to prepare the Secretary-General's report with respect to Chapter 11 of Agenda 21, as well as the UNFF Secretariat in preparing its report for Rio + 10.

UNFCCC/IPCC

- Monitor developments in UNFCCC/IPCC discussions regarding forests, including ARD, CDM, LULUCF, and emissions trading and report regularly to Council on these developments and their potential implications for tropical forests and the world tropical timber economy.
- Invite representative(s) of the UNFCCC/IPCC and other relevant institutions to report to Council on the status of forest-related discussions under UNFCCC/IPCC.

CCD

- Participate in the next COP in Bonn in September 2001.
- Explore opportunities for dialogue and potential cooperation in areas of mutual interest.

International Financial Institutions**GEF**

- Recommend to Council areas for increased dialogue and potential collaboration on GEF policy and project funding, including co-financing with GEF implementing agencies of ITTO and producer member projects that may be suitable for funding under the GEF biodiversity and climate change focal areas, and the potential for an ITTO role as an implementing or executing agency under GEF.

World Bank

- Participate in and contribute to the World Bank hosted Ministerial Conference on Forest Law Enforcement in Asia in September 2001.
- Explore possibilities for increased cooperation with the World Bank with respect to implementing ITTO objectives in member countries, especially the Year 2000 Objective, based on "lessons learned" through ITTO project implementation and evaluation.
- Engage in a dialogue with the World Bank regarding implementation of the World Bank Forest Strategy, once adopted, with a view to promoting synergies where possible, especially in Central Africa and other producing regions.

Regional Development Banks

- Initiate a dialogue with relevant regional development banks, including the Inter-American Development Bank, African Development Bank and Asian Development Bank on their policy review and project implementation processes relevant to ITTO objectives, including implementation of national forest plans and strategies, research and development and plantation management.

Regional Organizations and Fora**ATO**

- Work with ATO to build stronger bridges between Francophone countries and ITTO with a view to promoting more active participation in ITTO projects and in implementing ITTO criteria and indicators.
- Participate in IUCN/WCS Workshop on Bushmeat issues in Africa in 2001 and work with ATO to promote expanded ITTO project work on bushmeat and concession management.
- Participate in high level African regional forest law enforcement conference planned for 2002.

ASEAN and ASEAN Foundation

- Explore possibility of joint projects on training programmes for prevention of forest fires and on co-sponsoring a seminar on sustainable forest management with participation of local communities within the region.

Criteria and Indicators Processes

- Continue to actively participate in meetings of the Montreal and Pan-European processes on temperate and boreal forests, including as appropriate meetings of their technical advisory committees.
- Consider as appropriate expanding cooperation with ATO to other regional tropical forest criteria and indicators processes (e.g. Tarapoto, *Lepaterique* for Central America) involving ITTO producer members.

South Pacific Forum

- Participate as requested in activities of mutual interest.

Non-Governmental and Private Sector Groups

IUCN

- Explore strengthening collaboration related to forest rehabilitation and restoration in development of transboundary conservation areas, bushmeat issues, and the IUCN red list of endangered species, consistent with ITTO's mandate.

Environmental NGOs

- Continue to strengthen outreach to international NGOs such as WWF and Conservation International, and regional NGOs to encourage their greater participation in ITTO policy and project activities and explore opportunities for collaboration in areas of mutual interest, such as transboundary conservation areas.

Trade/Industry Groups

- Strengthen the Trade Advisory Group (TAG) established pursuant to ITTC Decision 9(XXVIII) to facilitate greater contribution by the trade/industry to the work of ITTO.

ANNEX B

EFFECTIVE ITTO INVOLVEMENT IN INTERNATIONAL AND REGIONAL ORGANIZATIONS AND FORA Measures Requiring Additional Financial Allocations

UNFF

- Second an ITTO professional to the UNFF Secretariat.
- Serve as a co-sponsor for country-led initiatives on issues related to ITTO objectives.
- Develop partnerships with private sector/NGOs in the context of UNFF discussions.

CPF

- Implement IPF/IFF proposals for action directed to ITTO.

FAO

- Support FAO in organizing the "International Year of Mountains," which will occur in 2002.
- Co-sponsor with FAO the 2nd International Meeting on Criteria and Indicators tentatively scheduled for early 2002.
- Collaborate on preparation of guidelines for management of secondary forests and on forest restoration activities, including with IUCN.

CITES

- Propose for Council consideration cooperative work, including the benefits of joint workshops, on issues related to the high volume commercial trade in tropical timber species, such as market transparency, species conservation status, sustainable forest management, export/import data, and CITES listing criteria.

CBD

- Undertake a review of and update as necessary the ITTO guidelines on conservation of biodiversity in tropical production forests and the Secretariat paper on the work of ITTO related to forest biodiversity conservation.

CSD/Rio + 10

- Contribute to the preparatory process for Rio + 10, including regional workshops and meetings, as appropriate to advancing ITTO objectives.

ATO

- Work with ATO to develop/improve market intelligence within region.
- Facilitate improved information sharing and cooperation between ATO member countries and other ITTO producer members.

OTHER REGIONAL FORA

- Explore ways to strengthen collaboration with other relevant regional agreements, processes and organizations such as the Amazon Cooperation Treaty and UNECE, with a view to promoting sustainable forest management and sustainable timber harvesting practices in producer member countries and supporting development of centers of excellence.

IUCN

- Consider joint sponsorship of a workshop on protected areas in the context of promoting sustainable forest management and the tropical timber economy.

TRADE/INDUSTRY GROUPS

- Facilitate transfer (collection and distribution) of information from the private sector, including international and regional producer and consumer trade organizations (e.g. IWPA, ATIBT, UCBD, ATTO, TTF, IFIA, CADEFOR) to member countries regarding trade statistics, accessing world markets, harvesting and processing methods, and improved consumer awareness and education through, *inter alia*, sponsoring regional workshops in producing regions.

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2 June 2001

Original: ENGLISH

THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 8(XXX)

COOPERATION BETWEEN THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO) AND IUCN – THE WORLD CONSERVATION UNION

The International Tropical Timber Council,

Recalling Decision 13(XXIX) on the role of the ITTO in international organizations and fora, which recognized the continuing need for the ITTO to cooperate with and contribute to other international organizations and processes;

Noting the dialogue that has been established between the ITTO and the IUCN – The World Conservation Union;

Recognizing the many areas where ITTO and the IUCN share policy concerns and goals, while having different levels of technical expertise and focus in areas where they could cooperate;

Realizing that closer cooperation between ITTO and IUCN in these areas could lead to synergies of effort that would benefit both organizations;

Decides to:

1. Request the Executive Director to work with the IUCN Secretariat to deepen cooperation between the two organizations that will, *inter alia*:
 - Improve awareness among the general public of those areas where the objectives, policies and activities of the two organizations coincide;
 - Strengthen cooperation between ITTO and IUCN in the formulation, implementation, monitoring, evaluation and co-financing of ITTO projects, pre-projects and activities, in areas where ITTO could benefit from IUCN's technical expertise;
 - Ensure the appropriate participation of ITTO in the 2003 IUCN World Parks Congress by, for example, convening a satellite meeting and displaying publications and posters to provide information on ITTO's programmes and activities; and
 - Convene an international workshop in order to share experiences gained in areas of common interest;

2. Authorize the Executive Director to seek voluntary contributions from Member Countries to meet the financial requirements of this decision, not exceeding US\$165,000.00 for the financing of the workshop mentioned above and not exceeding US\$23,000.00 for the financing of ITTO participation in the World Parks Congress in 2003. If sufficient contributions are not received by 31 October 2001, the Executive Director is requested to use funds from the Sub-Account B of the Bali Partnership Fund.

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ITTC(XXX)/21
2 June 2001

Original: ENGLISH

THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 9(XXX)

REPORTING FORMATS AND TRAINING FOR ITTO CRITERIA AND INDICATORS FOR SUSTAINABLE MANAGEMENT OF NATURAL TROPICAL FORESTS

The International Tropical Timber Council,

Recalling Article 1, sections (b), (c), and (d) of the International Tropical Timber Agreement, 1994, relating to the objectives of the organization;

Also recalling Decision 3(XXIV) on Criteria and Indicators for Sustainable Management of Natural Tropical Forests, which encouraged Member countries to apply the revised ITTO Criteria and Indicators for reporting in relation to the Year 2000 Objective and urged countries to prepare projects to test the revised Criteria and Indicators;

Further recalling Decision 3(XXVI) on "The Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests" which requested the Executive Director to review the Manual on the basis of the report of the consultants;

Welcoming the report of the Consultants [ITTC(XXX)/5] on the Four Regional Training Workshops and Field testing of the Manual;

Also welcoming the report prepared by the Executive Director [ITTC(XXX)/12] for this Session containing draft reporting formats for the National and Forest Management Unit levels;

Recognizing the importance of the application of ITTO Criteria and Indicators as a basis for reporting on the progress towards achieving Objective 2000 by Member countries;

Decides to:

1. Request the Executive Director to arrange, on request by Member countries, national level workshops in ten major producer Member countries to train officials, forest managers, forest concessionaires and others directly involved in sustainable forest management, in the effective use of the ITTO Reporting Formats at both the national and forest management unit levels. The training workshops need to cover ITTO Criteria and Indicators and Reporting Formats, and as far as possible, use trainers trained during the Regional Workshops conducted under Decision 3(XXVI) to assist in the task;
2. Strongly encourage producer Member countries to submit their first National level report, including the Summary of Highlights, by 31 December 2001, using the reporting format presented in document ITTC(XXX)/12;

3. Authorize the Executive Director to render assistance to producer Member countries to complete their national level reports, either through the workshops provided for in paragraph 1 and/or by financing appropriate expertise;
4. Authorize the Executive Director to retain two consultants (one from a producer Member country and one from a consumer Member country) to summarize the National level reports into a "Status of Tropical Forest Management Report";
5. Authorize the Executive Director to obtain appropriate expertise to prepare and publish the "Status of Tropical Forest Management Report", based on available evidence, including:
 - (i) An examination of country reports;
 - (ii) Meetings with government officials, professional foresters, industry, concessionaires, NGOs and people's organizations; and
 - (iii) Field visits to a random sample of forest management units;
6. Request the Executive Director to direct the consultants engaged under paragraphs 1, 3, 4, and 5 of this decision to make recommendations based on the findings of their work for future revision of the ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests; and
7. Authorize the Executive Director to seek voluntary contributions from Member countries to meet the financial requirements of this decision, not exceeding US\$832,500.00. If sufficient contributions are not received by 31 October 2001, the Executive Director is requested to make up any shortfall by using funds from the Sub-Account B of the Bali Partnership Fund.

ANNEX

**BUDGET FOR DECISION ON
"REPORTING FORMATS AND TRAINING FOR ITTO CRITERIA AND INDICATORS FOR
SUSTAINABLE MANAGEMENT OF NATURAL TROPICAL FORESTS"**

Item	Unit Cost (US\$)	Total (US\$)
1. National Training Workshops (10)	50,000	500,000
2. Assistance to Member Countries to Complete Reporting Formats (10 – 20)	5,000 - 10,000	100,000
3. Consultancy, Publication and Dissemination of "Status of Tropical Forest Management" Report	—	150,000
4. ITTO Programme Support (11%)	—	82,500
TOTAL		832,500

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 10(XXX)

CERTIFICATION

The International Tropical Timber Council,

Reaffirming the commitment of Members to the process of advancing ITTO Objective 2000;

Recognizing that ITTO has developed and adopted Manuals, Guidelines and Reporting Systems for Criteria and Indicators for sustainable forest management;

Recognizing the IPF and IFF conclusions and proposals for action related to certification;

Recognizing forest certification as an important voluntary market-based tool to encourage and create incentives for sustainable forest management;

Underscoring that certification schemes should be voluntary, non-discriminatory, transparent and market-oriented;

Recognizing the many uncertainties surrounding both positive and negative aspects of certification, including its potential impact on trade;

Recognizing the need for further clarification on the impact of certification on sustainable forest management and trade as well as its relationship to criteria and indicators processes;

Recognizing the potential role of certification for ITTO Members in improving market transparency, taking into account the role of the private sector, and in helping to promote responsible producer and consumer choices in supply and demand for forest products;

Noting the growing demand in the market for certified timber and the need in Member countries for assistance in implementing ITTO's Criteria and Indicators, and in building capacity and institutional strengthening to implement auditing systems to assess sustainable forest management, which may support certification schemes;

Noting the proliferation of certification systems in the market place and the need to facilitate Members' understanding of these various schemes;

Recognizing that while ITTO's Criteria and Indicators were developed to assess progress towards sustainable forest management, performance standards will be required for the purposes of certification;

Recognizing the role of ITTO in promoting market access as provided for in the objectives of the ITTA, 1994, and the Libreville Action Plan;

Noting the need for ITTO as a commodity organization to pro-actively collaborate with other relevant bodies on certification;

Recognizing that ITTO as an international organization should not endorse, or be perceived to endorse, any particular certification approach or scheme, including any accompanying standards developed for the purpose of certification;

Appreciating the desire of producer countries to implement voluntary certification schemes as a means to enhancing market access and generating sufficient income to finance sustainable forest management;

Decides to:

1. Request the Executive Director to facilitate discussions between ITTO Members and relevant interested parties on the principles, frameworks and elements of certification schemes;
2. Encourage producer Member countries to submit project proposals to implement ITTO's Criteria and Indicators and build capacity for internal auditing of sustainable forest management;
3. Request the Executive Director to assist Member countries to build capacity to engage in voluntary certification to enhance market acceptance of tropical timber and tropical timber products;
4. Authorize the Executive Director to convene a workshop prior to the Thirty-second Session with broad based participation on progress being made regarding the comparability and equivalence of certification schemes;
5. Authorize the Executive Director to engage two consultants, one from producer and the other from consumer country to develop in consultations with relevant interested parties a program for the workshop and prepare an overview paper for consideration at the workshop with the attached terms of reference; and
6. Authorize the Executive Director to seek voluntary contributions from Member countries to meet the financial requirements of this decision, not exceeding US\$172,380.00. If sufficient contributions are not received by 31 October 2001, the Executive Director is requested to use funds from the Sub-Account B of the Bali Partnership Fund.

TERMS OF REFERENCE FOR WORKSHOP

The consultants will develop in consultation with the Executive Director and relevant interested parties a program for the workshop, taking into account the outcome of the GTZ/FAO/ITTO meeting which took place in February 2001, in Rome, and other relevant developments in the area of certification. The purpose of the workshop shall be:

- to invite Member countries and relevant interested parties to participate in a discussion of the principles, frameworks, and elements of certification schemes;
- to identify principles and critical elements relevant to the development of standards for certification;
- to review progress being made towards comparability and equivalence of certification schemes;
- to obtain the perspective of buyers groups towards certification; and
- to recommend relevant actions for ITTO and its Members

The duration of the workshop should be two days.

The workshop attendees should include:

- Member countries;
- relevant international organizations;
- representatives of certification schemes;
- relevant private sector groups;
- relevant Non-governmental organizations; and
- buyers groups

Overview Paper

The consultants will prepare an overview paper regarding the comparability and equivalence of certification schemes, including identifying principles and critical elements necessary for the development of standards for certification. The consultants will take into account recent international efforts and initiatives on mutual recognition.

ITTO Workshop on Certification and Certification Schemes

(A) Moderator	
(1) Moderator's Travel Expense (1 at US\$5,000)	5000
(2) DSA (US\$200x1x4 days)	800
(B) Speakers	
(1) Speakers' Travel Expense (8 at US\$5,000 each)	40000
(2) DSA (US\$200x8x4 days)	6400
(C) Participants	
(1) Participants' Travel Expense (3 per region at US\$5,000 each)	45000
(2) DSA (US\$200x9x4 days)	7200
(D) Secretariat Support	
(1) Secretariat Travel Expense (2 at US\$5,000 each)	10000
(2) DSA (US\$200x2x4 days)	1600
(E) Meeting Logistics	10000
(F) Documentation, Translation and Dissemination of Reports	10000
(G) Consultancy	10000
(H) Contingencies	10000
Sub-Total	156000
ITTO Programme Support Cost	16380
Grand Total	172380

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 11(XXX)

STRENGTHENING SUSTAINABLE FOREST MANAGEMENT IN CENTRAL AFRICAN COUNTRIES (CONGO BASIN)

The International Tropical Timber Council,

Recalling Statement 1(XXVIII);

Further Recalling Article 1(I) of the ITTA, 1994, and the Libreville Action Plan;

Noting the request made to the Council at its Thirtieth Session by the Honourable Minister of Environment and Forest of Cameroon, on behalf of the ITTO Ministers in charge of Forests in the Congo Basin (Cameroon, Congo Brazzaville, Democratic Republic of Congo, Gabon, and Central African Republic), requesting the Council's support in implementing those aspects of the Yaoundé Declaration of 17 March 1999 which coincide with ITTO objectives;

Further noting these nations' commitment to achieving the Yaoundé Declaration's goals of sustainable forest management through sub-regional cooperation, joint action and harmonization of their national forest policies and forest action plans, as appropriate;

Reaffirming the ITTO Congo Basin members' commitment to achieving ITTO Objective 2000;

Decides to:

1. Request the Executive Director to organise a single Technical Mission to the five ITTO Congo Basin nations to assist them in implementing, through sub-regional cooperation, those aspects of the Yaoundé Declaration which coincide with the objectives of the ITTO as embodied *inter alia* in the ITTA, 1994, and the Libreville Action Plan;
2. Request the Executive Director to make necessary arrangements to facilitate the work of the Technical Mission in consultation with the ITTO Member governments of this sub-region; and
3. Authorize the Executive Director to seek voluntary contributions from Member countries to meet the financial requirements of this decision, not exceeding US\$120,000.00. If sufficient contributions are not received by 1 November 2001, the Executive Director is requested to use funds from the Sub-Account B of the Bali Partnership Fund.

ANNEX I

Terms of Reference for Technical Mission

1. The Technical Mission will be composed of two international experts, one from a producer country and one from a consumer country.
2. The Technical Mission shall review the ITTO-relevant aspects of the Convergence Plan for Congo Basin regional action, as well as related national actions, which were issued in follow-up to the Yaoundé Declaration.
3. The international consultants shall prepare a report that:
 - identifies ways in which the convergence plan and recommended joint actions and related national actions could be improved and/or expanded to further the aims of the Yaoundé Declaration and the shared goals of the ITTO;
 - suggests potential further ways in which proposed harmonization of national forest policies could be achieved in pursuit of these same objectives;
 - identifies and prioritizes related recommended additional joint and sub-regional actions, and
 - suggests joint project proposals for the Congo Basin ITTO Members to develop for submission to the ITTO.
4. The mission will report not later than the Thirty-second Session with recommendations for future work in this area.

ANNEX II

ACTIVITIES AND BUDGET

A. CONSULTANTS (2) – TECHNICAL MISSION AND PREPARE REPORT

(One from Consumer and One from Producer)

US\$

(1) Consultant Fees (2 months)	40 000,00	
(2) Travel Expenses (Including Attending ITTC(XXXII))		
(a) Air tickets	20 400,00	
(b) DSA & Travel Expenses	<u>15 600,00</u>	\$76 000,00

B. NATIONAL CONSULTANTS (5)

(1) Consultant Fees (2 weeks)	5 000,00	
(2) DSA & Travel Expenses	5 500,00	
(3) National Travel Expenses	<u>2 500,00</u>	\$13 000,00

C. VISIT PREPARATION PLANNING MEETING

(Office Support)

\$5 000,00

D. REPORT TRANSLATION

\$6 000,00

E. CONTINGENCY

\$8 596,00

F. ITTO PROGRAMME SUPPORT COSTS (10.5%)

\$11 404,00

TOTAL : \$120 000,00

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2 June 2001

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

DECISION 12(XXX)

ITEM TO REVISIT AT THE THIRTY-FIRST SESSION OF THE COUNCIL

The International Tropical Timber Council,

Noting the time constraint and the substantive work load of the Council at its Thirtieth Session;

Acknowledging the intensive deliberations on the issues which took place during this Council Session;

Decides to continue consideration of the following draft decision contained in the Annex, at its Thirty-first Session;

Guidelines for Establishing Auditing Systems for ITTO's Criteria and Indicators for Sustainable Forest Management.

DRAFT DECISION ^{}(XXX)**

**GUIDELINES FOR ESTABLISHING AUDITING SYSTEMS FOR ITTO's CRITERIA AND INDICATORS
FOR SUSTAINABLE FOREST MANAGEMENT**

The International Tropical Timber Council,

Reaffirming the commitment of Members to achieve ITTO's Year 2000 Objective and the references to lack of capacity related to auditing systems for sustainable forest management in the "Review of Progress Towards the Year 2000 Objective" by Prof. Duncan Poore and Mr. Thang Hooi Chiew (Document ITTC (XXVIII)/9);

Recognizing the Expert Panel Report on the Development of a Framework for an Auditing System for ITTO's Criteria and Indicators for Sustainable Forest Management (Decision 5(XXVIII)) and its recommendations for revisions to the draft working documents prepared by consultants pursuant to Decision 5(XXVIII);

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

Recognizing the importance of assisting countries to generate the capacity and resources to help implement national policies that promote sustainable forest management;

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

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

Decides to:

- 1) Develop and publish guidelines that provide the essential elements for a framework of adequate auditing systems for sustainable forest management;
- 2) Authorize the Executive Director to engage the two consultants who had prepared the Working Document authorized by Decision 5(XXVIII) to revise that Working Document to take into account the Report of the Expert Panel convened pursuant to Decision 5(XXVIII) and to circulate the revised working document to a broad range of stakeholders for their review and comment and prepare a draft final report taking into account the comments received;
- 3) Request the Executive Director to convene an Expert Panel comprised of three producer and three consumer member countries and one representative each from conservation non-governmental and timber trade and industry organizations to consider the draft final Consultants' report, including the comments received on it by stakeholders and present its findings at the Thirty First Session of Council; and
- 4) Authorize the Executive Director to arrange for financing the consultancy to prepare the Working Document, circulate it to potential stakeholders and convene the Expert Panel from the Special Account/Bali Partnership Fund.

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ANNEX IV

REPORTS OF THE ASSOCIATED SESSIONS OF THE FOUR COMMITTEES

Documents: CEM(XXVIII)/7
 CRF(XXVIII)/8
 CFI(XXVIII)/11
 CFA(IX)/9 Rev.2

TWENTY-EIGHTH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

TWENTY-EIGHTH SESSION OF THE COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE

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| Appendix C: | Technical Assessment of Projects and Pre-Project in the Area of Economic Information and Market Intelligence and Summary Table |
| Appendix D: | PPD 26/01 (M) “Assessing the Feasibility of and Support for a Tropical Timber Promotional Campaign” |
| Appendix E: | PPD 27/01 (M) “Review of PNG’s Timber Treatment Processes” |

REPORT

1. Opening of the Session

The Twenty-eighth Session of the Committee was opened on 28 May 2001 at a Joint Session of the Committee on Economic Information and Market Intelligence, the Committee on Reforestation and Forest Management, the Committee on Forest Industry, and the Committee on Finance and Administration, chaired by Dr. Antonio Carlos do Prado (Brazil). The subsequent meetings of the Committee during its current Session were conducted by its Chairman, Dr. Antonio Carlos do Prado (Brazil), with two meetings chaired by Ms. Sarah Smiley (U.S.A.), Vice-Chairperson. The list of participants is presented in document ITTC(XXX)/Info. 2 Rev.1.

2. Adoption of Agenda and Organization of Work

The Committee adopted the Agenda of its Twenty-eighth Session as contained in document CEM(XXVIII)/1.

3. Admission of Observers

The list of observers admitted by the Committee is presented in document ITTC(XXX)/Info.3 Rev.1.

4. Report of the Meeting of the Expert Panel for Technical Appraisal of Project Proposals (Joint Session of the Committees)

Dr. Abdul Rahman Bin Abdul Rahim (Malaysia), Chairman of the Expert Panel, presented its report as contained in document CEM, CRF, CFI(XXVIII)/1. Highlights of the general points of the report as presented included the following:

- (i) Member Countries should maintain the Organization's spirit of co-operation and submit high quality proposals to the ITTO Committees.
- (ii) Member Countries should formulate proposals according to the agreed standard format when seeking project assistance from ITTO.
- (iii) Revision of the Manual for Project Formulation.
- (iv) Project Proposals should be endorsed by the National Focal Point before submission to ITTO Secretariat.
- (v) Project Proposals should be tailored to the national priorities of the Project Formulator.
- (vi) General areas of weakness in proposals submitted:
 - Logical Frameworks were poorly conceptualized and constructed.
 - Development Objective was often confusing and difficult to understand.
 - Activities were not sufficiently detailed to explicitly indicate what would be done
 - Assumptions were not linked to risk.
 - Unit cost information was often too brief.
 - Local cost contributions were not clearly addressed.
 - No indication of project sustainability after completion.
 - Background information (when necessary) not clearly provided.
 - Economic, social and environmental aspects were insufficiently addressed.
 - Technical and scientific aspects were inadequately addressed.
 - Compliance with the ITTO Action Plan was not clearly presented.
- (vii) Some of the categories of Decision required modification.

On the Expert Panel's recommendation for the Secretariat to undertake an evaluation of the Training Workshops on Project Formulation, the Committees were informed by the Secretariat that action in this regard had been taken by the Committee on Forest Industry at its previous Session during its review of the implementation of project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation". The Secretariat further informed that the evaluation of the Training Workshops on Project Formulation would be conducted by an independent consultant in the second half of this year.

5. 2001 Market Discussion

The Committee noted the report of the ITTO 2001 Market Discussion as contained in Appendix A. The theme of the Market Discussion was "Regulations for a Sustainable Timber Trade - Relevant Issues". The moderator was Mr. Barney Chan (Sarawak Timber Association) and the Rapporteur was Mr. Graham Bruford (Timber Trade Federation, U.K.). The following presentations were made during the Market Discussion:

Dr. Alastair Fraser, LTS International Ltd., U.K.	"The Medium-term Outlook for the Tropical Timber Market"
Mr. James Bolton, U.S.A.	"Competitiveness of Tropical Timber vis-à-vis Timber and Non-timber Substitutes"
Carlos Roxo, Aracruz Celulos S.A., Brazil and Graham Bruford, Timber Trade Federation, U.K.	"Creating an International Mutual Recognition Framework for Forest Certification Systems"
Robert Atangana, Cameroon	"The Impact of Government Policy on Timber Exports from Cameroon"
Mr. Kenneth MacDicken, CIFOR, Indonesia	"Making Sustainable Forest Management Work in Africa: Beating the Odds"
Mr. Jean-Jacques Landrot, ATIBT, France	"Regulations for a Sustainable Timber Trade – The African Perspective"
Mr. Ivan Tomaselli, STCP Engenharis de Projectos, Brazil	"Regulations for a Sustainable Timber Trade – The Latin American Perspectives"

The Committee also noted the statement of the Trade Advisory Group as contained in Appendix B that was presented to the Council at its current Session.

6. Ex-post Evaluation(A) **Ex-post Evaluation**

PD 35/94 Rev.4 (M,I) Forest Products Marketing Organization Feasibility Study (Papua New Guinea)

The Committee considered the Executive Summary of the Ex-post Evaluation Report on the project as contained in document CEM(XXVIII)/3. A presentation before the Committee was made by the consultant, Mr. Seiji Mori (Japan) in respect of his ex-post evaluation report on this project. The Committee commended the consultant for his report and presentation.

PD 25/96 Rev.2 (M) China's Consumption of Forest Products and its Demands for Them for the International Market by the Year 2010

The Committee noted that the ex-post evaluation of this project was conducted under a country-group approach together with four other projects of the Committee on Forest Industry. The Executive Summary of the Ex-post Evaluation Report on these projects as contained in document CFI(XXVIII)/8 was considered in the Joint Session of the Committee and the Committee on Forest Industry. A presentation before the Committees was made by the consultant, Dr. Floriano Pastore Jr. (Brazil). The Committees commended the consultants for their report and Dr. Pastore Jr. for his presentation.

(B) **Selection of Projects for Ex-post Evaluation**

The Committee considered the list of four (4) completed projects as contained on page 5 of document CEM(XXVIII)/1 as well as the Secretariat's proposed themed evaluation of statistical development projects as contained in document CEM(XXVIII)/6. The Committee further agreed to the conduct of ex-post evaluation of five (5) statistical development projects in Latin America covering PD 1/97 Rev.1 (M) (Bolivia), PD 34/94 Rev.1 (M) (Colombia), PD 44/96 Rev.2 (M) (Panama), PPD 5/94 (M) and PD 27/95 Rev.3 (M) Phase I and Phase II Stage 1 (Peru) with a budget not exceeding US\$35,000 to be drawn from the pooled funds for ex-post evaluation of projects of the Committee.

7. Report of Projects, Pre-Projects and Activity in Progress

The Committee considered the Report of Projects, Pre-Projects and Activity in Progress as contained in document CEM(XXVIII)/4. Progress reports of the following projects, pre-projects and activity were duly noted:

(A) Projects, Pre-projects and Activity under implementation

1. **PD 16/93 Rev.4 (M) Market Information Service for Tropical Timber and Timber Products (MIS) – Phase IV, 2001 (ITTO)**

The Committee noted the satisfactory progress achieved in the implementation of the project.

2. **PD 1/95 Rev.4 (M) Training Development on Assessment of Sustainable Forest Management in Indonesia**

The Committee noted the completion of all activities of the project on 31 December 2000 and the on-going action being taken to finalize the completion report and the overall audit on the project.

3. **PD 25/95 Rev.1 (M) Training Workshops on Tropical Forestry and Timber Trade Statistics (ITTO)**

The Committee noted the satisfactory progress achieved in the implementation of the project. The Committee noted the arrangements being made for a final workshop to be conducted in 2002. The Committee agreed that the Government of Côte d'Ivoire be requested to return the balance of US\$2,647.50 outstanding from a 1998 workshop to the ITTO Secretariat.

4. **PD 27/95 Rev.1 (M) Establishment and Operation of a Forest Strategic Information Center (CIEF) – Phase II Stage 1 (Peru)**

The Committee noted that the conduct of the final audit on this project had commenced in May 2001.

5. **PD 40/96 Rev. 5 (M) The Establishment of a National Statistical System for Imported Timber and Timber Products (Egypt)**

The Committee noted the satisfactory progress achieved in the implementation of the project and the need for the annual audit on the project to be submitted to the ITTO Secretariat.

6. **PD 1/97 Rev.1 (M) Implementation of a National Forest Statistics Information System (Bolivia)**

The Committee noted the satisfactory progress achieved in the implementation of this project and its linkage to project proposal PD 34/00 Rev.2 (M) to be considered under item 8 of the Agenda.

7. **PD 52/97 Rev.3 (M) Development and Implementation of an Educational Program to Inform the Wood Products Distribution Chain on the Value of Using Tropical Timbers from All ITTO Member Countries, Phase I (Ghana)**

The Committee noted the satisfactory progress achieved in the implementation of this project and approved an extension of six months to the duration of the project without additional funds as requested by the implementing agency.

8. **PD 15/98 Rev.2 (M) Development and Installation of a Computer Management System for the Control of Forest Production in Gabon**

The Committee noted the satisfactory progress achieved in the implementation of this project. A presentation of the log tracking system developed under the project was given by Mr. Pierre Samson, the project consultant. Clarification was sought regarding the system, specifically on damage to bar codes, their readability and the location of bar code printing. The consultant responded that the bar code plates were manufactured in Europe and Canada, with the numbers printed in-country. Damage to bar codes was minimized by locating them correctly on logs. It was possible to modify the software for reading the bar codes to reduce errors. The delegation of Côte d'Ivoire asked about the impact of the system on forest management in Gabon and its cost.

Interest was expressed by the delegation to obtain the technology. The consultant was requested to undertake further discussion with the delegation of Côte d'Ivoire.

9. PD 39/98 Rev.2 (M) Research on Value Accounting of Tropical Forest Environmental Resources and Bringing of it in Line with the National Economic Accounting in China

The Committee noted the satisfactory progress achieved in the implementation of this project and further noted the request for additional funding in the amount of US\$7,300.00 to support the participation of international speakers to the planned international workshop. In the event that additional funding was not provided, the Committee authorized the Secretariat to request the executing agency to submit to ITTO for its approval an amended budget to accommodate payment of expenses to international speakers, on the understanding that there would be no increase in the approved total budget. The Committee agreed to request the implementing agency to ensure that the results from the project are presented in the international workshop.

10. PD 47/98 Rev.2 (M) Establishing a Data Collection and Dissemination System on a Sustainable Basis for Timber Marketing Statistics in Cameroon

The Committee noted the progress achieved in the implementation of the project as presented by the delegation of Cameroon. The two project coordinators were undergoing training in Canada while the computer hardware had been purchased. The development of the statistical system would begin after the return of the coordinators from Canada.

11. PD 48/99 Rev.1 (M,F) Sharing of Information and Experiences on Private Sector Success Stories in Sustainable Forest Management (Malaysia)

The Committee noted that the agreement of this project was signed in February 2000 and the workplan from the implementing agency was awaited. The implementing agency was requested to submit the workplan and begin project implementation.

12. PD 55/99 Rev.1 (M) Establishment of a Sustainable Tropical Forest Products Information System in China

The Committee noted the satisfactory progress achieved in the implementation of this project.

13. PPD 8/98 Rev.1 (M) Establishment of a National Forest and Timber Marketing Statistics System (Ecuador)

The Committee noted the progress in the implementation of the project based on a report submitted in May 2001. The progress covered a pre-diagnosis of the current National Forest and Timber Marketing Statistics System and recommendations for its improvement.

14. PPD 13/99 Rev.1 (M,F,I) Model Communication and Public Awareness Program for Sustainable Forest Development in Ecuador

The Committee noted the satisfactory progress achieved in the implementation of this pre-project.

15. PPD 21/99 Rev.1 (M) Development of a Strategy of the Improvement of the National System for the Processing of Forestry Statistics and Information on the Timber Market (Togo)

The Committee noted the satisfactory progress achieved in the implementation of this pre-project.

16. PPD 26/99 (M) The Competitiveness of Tropical Timber and Tropical Timber Products vis-à-vis Timber and Non-Timber Substitutes (ITTO)

The summary draft final report of this pre-project was presented by the consultant, Dr. James Bolton at the joint session of the Committee and the Committee on Forest Industry as well as during the Market Discussion. Details of the presentation are included in item 9 and Appendix A of this report. The final report, incorporating members' comments, would be submitted prior to the next session of the Committee.

17. PPD 27/99 (M) The Medium and Long-Term Outlook for the Tropical Timber Market (ITTO)

The draft final report of the pre-project was presented by the consultant, Dr. Alastair Fraser at the joint session of the Committee and the Committee on Forest Industry as well as during the Market Discussion. Details of the presentation are included in item 9 and Appendix A of this report. The final report, incorporating members' comments, would be submitted prior to the next session of the Committee.

18. PPD 14/00 (M) Strengthening the Market Discussion (ITTO)

The Committee noted the satisfactory progress achieved in the implementation of this pre-project. The Committee noted the valuable contribution of the consumer trade members, as well as the producer trade members who had for the first time in the history of the organization contributed financially to an ITTO pre-project.

19. PP-A/23-63 Activity to Facilitate Development of a Joint ITTO/ECE/-FAO/EUROSTAT Forest Statistics Questionnaire (ITTO)

The Committee noted the satisfactory progress achieved in the implementation of this activity. It noted that USA had fully honoured its pledge to fund the activity and Sweden would arrange for the outstanding balance of its pledge to be transferred to ITTO.

(B) Project and Pre-Project Pending Agreement

1. PD 27/95 Rev.3 (M) Establishment and Operation of a Forest Strategic Information Center (CIEF), Phase II, Stage 2 (Peru)

The Committee noted that the project agreement for Stage 2 would be finalized upon completion of the financial audit for Stage 1 of the project (item 4, Section A)

2. PPD 13/00 Rev.1 (M) Development of a Project Proposal for the Economic Valuation of Production Forests and Agroforestry System in the Peruvian Amazon

The Committee requested the Government of Peru and INRENA to undertake the signing of the pre-project agreement.

(C) Projects Pending Financing

1. PD 16/93 Rev.4 (M) Market Information Service for Tropical Timber and Timber Products (MIS) Phase IV - 2002

The Committee urged donors to provide funds for the implementation of this approved project.

2. PD 39/96 Rev. 3 (M) Creation of a National System for Collection and Processing of Forest Statistics in Congo

The Committee urged donors to provide funds for the implementation of this approved project and noted that the Council had authorised the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution became available in the Special Account. It noted that the project would lapse under ITTO's sunset clause prior to its next Session if still unfunded.

3. PD 52/97 Rev.3 (M) Development and Implementation of an Educational Program to Inform the Wood Products Distribution Chain on the Value of Using Tropical Timbers from all ITTO Member Countries, Phase II (Ghana)

The Committee urged donors to provide funds for the implementation of this project as soon as the implementation of Phase I of the project had been completed.

4. PD 41/99 Rev.2 (M) Phase I Development and Implementation of a Pilot Project of the Forestry Statistics Information System (FSIS) – Phase I (The Philippines)

The Committee urged donors to provide funds for the implementation of this project and noted that the Council had authorised the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution became available in the Special Account. It noted that the project would lapse under ITTO's sunset clause prior to its next Session if still unfunded.

8. Consideration of Project and Pre-Project Proposals

The Committee had before it four project and one pre-project proposals that had been evaluated by the Expert Panel for the Technical Appraisal by Project Proposals, all but one of which were subsequently revised in accordance with the Panel's recommendations. The technical appraisals of the projects and pre-project considered by the Committee are contained in Appendix C. In addition, the Committee considered two pre-project proposals emanating from its consideration of policy issues under item 9 of its agenda.

(i) PD 34/00 Rev.2 (M) Extension and Consolidation of the National Statistical Information System (Bolivia)

The Committee noted that the amendments proposed by the Panel had been incorporated into this revised project proposal. The Committee approved the project as revised and agreed to recommend it to the Council for immediate financing.

(ii) PD 74/01 Rev.1 (M) Development and Implementation of Guidelines to Control Illegal Logging for Sustainable Forest Management in Indonesia

The Committee noted that the amendments proposed by the Panel had been incorporated into this revised project proposal. The Committee approved the project as revised and agreed to recommend it to the Council for immediate financing.

(iii) PD 79/01 (M) Promotion of the African Timber Trade (Cameroon)

The delegation of Cameroon informed the Committee that the amendments proposed by the Panel had been duly noted and that the proposal would be reformulated and submitted again to the Committee for consideration.

(iv) PD 87/01 Rev.1 (M) Development of the *Integrated Forestry Compendium: a Knowledge Base for Forest Management and the Forest Products Industry* (Ghana)

The Committee noted that the comments of the Panel had been addressed in this revised project proposal submitted during the current Session of the Committee. The Committee approved the project as revised and agreed to recommend it to the Council for immediate financing.

(v) PPD 23/01 (M) Analysis of Tropical Timber Production and Trade Patterns in French-Speaking African Countries During the 90s – Challenges for the 21st Century (Togo)

The Committee noted that the amendments proposed by the Panel had been incorporated into this pre-project proposal. The Committee approved the pre-project and agreed to recommend it to the Council for immediate financing.

(vi) PPD 26/01 (M) Assessing the Feasibility of and Support for a Tropical Timber Promotional Campaign (ITTO)

The Committee approved the pre-project as attached in Appendix D and agreed to recommend it to the Council for immediate financing.

(vii) PPD 27/01 (M)

Review of PNG's Timber Treatment Process

The Committee approved the pre-project as attached in Appendix E and agreed to recommend it to the Council for immediate financing.

9. Policy Work

(i) Market Access

The Committee noted the update provided by the UK Timber Trade Advisor on the UK policy of avoiding the purchase of illegally harvested timber.

In light of the challenges and increased competition facing tropical timber in the international market, the Committee considered the need for an aggressive tropical timber promotional campaign. In this connection, the Committee agreed to recommend pre-project PPD 26/01 (M) on Assessing the Feasibility of and Support for a Tropical Timber Promotional Campaign as attached in Appendix D. It further urged donors to provide the necessary funding for the pre-project.

The Committee also considered the request for urgent assistance by the delegation of Papua New Guinea in the field of timber treatment processes following the notification of new import requirements for logs and timber by the Peoples Republic of China with effect from 1 July 2001. In this regard, the Committee agreed to recommend pre-project PPD 27/01 (M) on Review of PNG's Timber Treatment Processes as attached in Appendix E. It further urged donors to provide the necessary funding for the pre-project.

(ii) Timber Certification

The Committee was briefed by the Secretariat on the proceedings and outcome of the FAO-GTZ-ITTO Seminar on 'Building Confidence Among Forest Certification Schemes and Their Supporters' held at FAO, Rome on 19-20 February 2001. Further developments in timber certification as raised during the Market Discussion were also noted. The Committee was informed of a Seminar to be organized by the European Forest Institute at the request of the European Commission in September 2001 to build on the progress achieved by the FAO-GTZ-ITTO Seminar.

(iii) Life Cycle Analysis (LCA) of Timber Products

In light of the potential advantages for tropical timber in relation to the application of LCA, the Committee agreed to keep the matter on its agenda.

(iv) Proposed Listing of Timber Species in the Appendices of CITES

The Committee noted that the Council had been informed by the Government of Indonesia regarding its notification on the inclusion of *Gonystylus spp.*, Ramin in Appendix III of CITES as well as by the Government of Colombia regarding its notification on the inclusion of *Swietenia macrophylla* and *Cedrela spp.* in Appendix III of CITES. The Committee was further informed that a similar notification in respect of *Swietenia macrophylla* and *Cedrela spp.* had been made by the Government of Peru.

(v) Competitiveness of Tropical Timber vis-à-vis Competing Products and Substitutes

This item was taken up at the joint session of the Committee on Economic Information and Market Intelligence and the Committee on Forest Industry. The Committee agreed to give further consideration to the issue at its next Session, following the submission and dissemination of the final report on PPD 26/99 (M).

(vi) The Medium and Long-Term Outlook for the Tropical Timber Market

This item was taken up at the joint session of the Committee on Economic Information and Market Intelligence and the Committee on Forest Industry. The Committee agreed to give further consideration to the issue at its next Session, following the submission and dissemination of the final report on PPD 27/99 (M).

(vii) Trade in Secondary Processed Wood Products (SPWP)

This item was taken up at the joint session of the Committee on Economic Information and Market Intelligence and the Committee on Forest Industry. The final report of a study on the status of further processing of tropical timber in producing countries [PPD 25/99 (I)], incorporating the comments of members received since the draft report was presented at the last Session, was considered.

(viii) United Nations Forum on Forests (UNFF) – Matters on Trade and Environment

The Committee noted that 'International Trade and Investment in Support of Sustainable Forest Management' had been proposed as one of the thematic focuses of the UNFF Multi-Year Programme of Work to be considered by the UNFF at its First Session. The Committee further noted that the UNFF Multi-Year Programme of Work would be considered and adopted at the First Session of the UNFF to be held on 11-22 June 2001 at the United Nations Headquarters, New York.

(ix) Study on the Establishment of a Tropical Plywood Exchange

The Committee noted that the delegation of Malaysia would present a consolidated proposal on the study for the consideration of the Committee at its next Session.

(x) Inter-Secretariat Working Group on Forest Statistics (IWGFS)

The Secretariat briefed the Committee on the activities of the IWGFS including the revision and disbursement of the 2001 Joint Forest Sector Questionnaire (JQ). The Secretariat would be attending the next meeting of the IWGFS in October 2001 where the results of the 2001 JQ would be reviewed.

(xi) ITTO Work Programme 2001

The Committee noted the progress made in the implementation of its project and strategic policy activities as contained in document ITTC(XXX)/8 "Progress Report on the Implementation of the ITTO Work Programme for the Year 2001". In light of the impending implementation of the FAO project on Impact Assessment of Forest Products Trade in the Promotion of Sustainable Forest Management, the Committee agreed to delete the study on the relationship between international trade in timber and deforestation/forest degradation from the list of its strategic policy activities.

(xii) Statement of the Trade Advisory Group (T-A-G)

The Committee noted the Statement of the T-A-G before the Council as attached in Appendix B.

10. Dates and Venues of the Twenty-ninth, Thirtieth and Thirty-first Sessions of the Committee

The Twenty-ninth Session of the Committee will be held in conjunction with the Thirty-first Session of the International Tropical Timber Council in Yokohama from 29 October to 3 November 2001.

The Thirtieth Session of the Committee would be held in conjunction with the Thirty-second Session of the International Tropical Timber Council in Bali, Indonesia, in May and/or June 2002.

The Thirty-first Session of the Committee would be held in conjunction with the Thirty-third Session of the International Tropical Timber Council in Yokohama, Japan, in October and/or November 2002.

11. Other Business

No other business was considered by the Committee.

12. Recommendations to the International Tropical Timber Council

- (i) The Committee recommended that funding be made immediately available for the following projects and pre-projects approved at this Session:

PD 34/00 Rev.2 (M)	Extension and Consolidation of the National Statistical Information System (Bolivia) [US\$352,005]
PD 74/01 Rev.1 (M)	Development and Implementation of Guidelines to Control Illegal Logging for Sustainable Forest Management in Indonesia [US\$665,850]
PD 87/01 Rev.1 (M)	Development of the <i>Integrated Forestry Compendium: a Knowledge Base for Forest Management and the Forest Product Industry</i> (Ghana) [US\$442,777]
PPD 23/01 (M)	Analysis of Tropical Timber Production and Trade Patterns in French-Speaking African Countries During the 90s – Challenges for the 21st Century (Togo) [US\$29,910]
PPD 26/01 (M)	Assessing the Feasibility of and Support for a Tropical Timber Promotional Campaign (ITTO) [US\$47,600]
PPD 27/01 (M)	Review of PNG's Timber Treatment Processes [US\$48,000]

- (ii) The Committee recommended that funding be made immediately available for the following projects approved at earlier Sessions:

PD 16/93 Rev.4 (M) Phase IV - 2002	Market Information Service for Tropical Timber and Timber Products (MIS) – Phase IV (ITTO Secretariat) [US\$325,000]
PD 39/96 Rev. 3 (M)	Creation of a National System for Collection and Processing of Forest Statistics of Congo [US\$557,072]
PD 52/97 Rev.3 (M) Phase II	Development and Implementation of an Educational Program to Inform the Wood Products Distribution Chain on the Value of Using Tropical Timbers from ITTO Member Countries - Phase II (Ghana) [US\$180,994]
PD 41/99 Rev.2 (M) Phase I	Development and Implementation of the Pilot Project of the Forestry Statistics Information System (FSIS) – Phase I (The Philippines) [US\$560,823]

- (iii) The Committee recommended that a themed ex-post evaluation of Latin American statistical development projects be carried out using US\$35,000 from the pooled ex-post evaluation funds.
- (iv) The Committee recommended that additional funding of US\$7,300 be provided to PD 39/98 Rev.2 (M) (China).

13. Report of the Session

The Committee adopted this report for submission to the Council.

APPENDIX A

REPORT ON THE 2001 MARKET DISCUSSION 30 May 2001, Yaoundé, Cameroon

The theme chosen for the 2001 Market Discussion was, 'Regulations for a Sustainable Timber Trade – Relevant Issues.' Mr. Barney Chan of the Sarawak Timber Association was Moderator for the discussions and Graham Bruford, Timber Trade Federation UK acted as Rapporteur. The broad theme of the Market Discussion enabled a wide cross section of speakers from ITTO producer and consumer countries to give presentations on key issues of importance to the tropical timber trade at the present time.

Keynote Speaker

The speaker noted that future harvests in Africa will be more uncertain. Low prices for African timber products together with high production and transaction costs also existed. The major market for African timber products is Asia. No major changes in the way African forests were managed would occur unless poverty is reduced – as the speaker noted 'without major progress in poverty reduction, permanent forest estates are permanently at risk.' The speaker also highlighted a number of other ways in which forest management and regulations might be improved, for example through reducing unofficial tariffs and forming partnerships between the private sector, governments, research institutions and NGOs.

African Perspective

African industry representatives noted the constraints which exist in attaining SFM which include concession size and duration, lack of skilled workers, and lack of pragmatic help from international donors. The multiplicity of different species available, currency fluctuations (notably in relation to the Euro) and the fact that the principle market of Asia was only interested in buying logs were also identified as challenges. Competition from other wood and from non-wood products in consumer markets also restricted moves towards sustainability.

Despite these concerns, field reforms in Cameroon including the review of the concession process to get better control of licenses have recently been introduced which favours sustainable forest management. However, improved internal management systems by companies will be needed and mills currently lack the security of raw material sources. The industry in Cameroon would also like to see a more structured system to implement forest policy.

Problems in the Cameroonian timber sector still exist due to the bidding and over-bidding process for concessions. Taxes hinder competitiveness and the utilization of lesser-known species is particularly important as only 43 of the 91 species commonly logged are processed to any significant degree. This gives rise to particular challenges for attaining a sustainable timber trade.

Latin American Perspective

It was noted that most Latin American countries are progressing towards SFM and are improving environmental protection which has resulted in increasing regulations. It was also noted that official monitoring and control by Government is not always recognized in consumer markets and that as a result, other schemes are promoted. These often further increase the timber industry's costs. It was suggested that efforts were needed to remove overlapping regulations by different levels of government at the federal, state and local levels to avoid excessive costs which reduce timber's competitiveness in relation to other products. A series of case studies from Brazil, Peru and Bolivia were used to illustrate these points.

Additional Speakers

Three additional presentations were given on current issues of interest to the trade.

i) The Competitiveness of Timber vis-à-vis Competing Products & Substitutes

A survey of exporting and importing countries had shown that exporting and importing companies have different views on the main competitors to their timber products. Exporters do not differentiate between domestic and export markets and appear to treat export markets in the same way as their domestic ones. Both these factors mean that exporters tend not to tailor their products to meet consumer needs in importing countries. One way of addressing this would be for exporting companies to educate themselves much more on the preferences and demands of importing companies. It was also noted that exporting companies need stability in raw material supplies and stable relationships with buyers which did not always exist. However, tropical timber does have some competitive advantages particularly on certain environmental issues such as natural durability and Life Cycle Analyses when compared with plastic.

This offers opportunities for re-building the competitiveness of tropical timber where market share has been lost.

ii) The Medium & Long-Term Outlook For Tropical Forest Products

Four key issues were highlighted -

Resource sustainability – there is little remaining 'old growth' forest in major producing countries and highly selective logging and poor logging practices had resulted in high levels of waste and low forest productivity.

Resource pricing – 'old growth' forest has been treated as a free good and replacement costs have not been covered. Illegal logging distorts log prices on domestic markets which leads to high levels of waste and under-utilization.

Industrial processing capacity – currently suffers from a high level of under-utilization is inefficient and lacks investment.

Costs and profitability - transport costs are significant proportion of the total cost of export products and are likely to rise due to higher fuel costs and greater distance.

The speaker's view was that environmental concern in consumer countries is not only for tropical forests, but is also for their own environments and that tropical timber producers should take care not to destroy their own environments simply in order to sustain exports. The future prospects for tropical timber products will not be determined by lack of demand but will depend on ensuring resource sustainability and on the efficient use of a raw material that is changing in character.

iii) A Mechanism for Mutual Recognition of International Certification Schemes

A proposal for mutual recognition arrangements between credible certification systems was put forward by representatives of the International Forest Industry Roundtable (IFIR). The proposal was an attempt to overcome the problems of a multiplicity of different schemes and labels operating in the marketplace. It was emphasized that the IFIR is acting in a catalytic role and will not own or lead the framework. The IFIR proposed a system which included criteria and indicators for credible systems, an assessment process, an independent quality assurance group, and a governance system. ITTO members were encouraged to take an active role in its development through comments, discussion and participation.

APPENDIX B

STATEMENT OF THE TRADE ADVISORY GROUP Before the Thirtieth Session of the International Tropical Timber Council

The Trade Advisory Group comprising members of the private sector from both producer and consumer countries met several times during the 30th session to discuss issues of importance to the trade under the Co-ordinator, Barney Chan of the Sarawak Timber Association. The group would like to thank the Council for the opportunity to highlight important areas of concern in the tropical timber trade during the Annual Market Discussion.

In this regard we would particularly draw the attention of distinguished delegates to some of the issues raised –

- The need to remove overlapping regulations by different levels of Government which leads to excessive costs, the subsidising of other industries' environmental costs and reduces tropical timber's competitiveness.
- The need for further research into tropical timber's competitiveness in general including the significant opportunities provided by life cycle analysis.
- The need for further research into the future market prospects for tropical timber
- The call for ITTO to become actively involved in facilitating moves towards the mutual recognition of timber certification schemes and not endorse or be perceived to endorse any one particular scheme
- The challenges involved in attaining sustainable forest management

As mentioned in our Opening Statement the T-A-G believes that a generic tropical timber promotion campaign would bring considerable benefits to the tropical timber sector. Following discussions by trade representatives from Brazil, Malaysia, Papua New Guinea, USA and UK, we are delighted that a pre-project proposal on tropical timber promotion has been recommended for funding by the CEM. The T-A-G is also appreciative of the way in which funding was recommended for a pre-project on the issue of timber treatment for timber entering China from Papua New Guinea.

The T-A-G would like to reiterate our appreciation of the Executive Director and Secretariat's work on Communication & Outreach since the last Council meeting. We look forward to the production of further publicity materials as outlined in the background paper on the subject as we believe that these will be essential in raising the profile of the organisation to the outside world.

Finally, the Trade Advisory Group would like to express its appreciation to Council for the way in which it has sought the input of the trade into Council activities. Once again the Group would like to offer the services of Group members on future Expert Panels and other activities of the ITTO where trade involvement is deemed useful. We therefore trust that the importance of trade issues will continue to be reflected in future agendas and in the formulation of the revised ITTO Action Plan.

APPENDIX C

TECHNICAL ASSESSMENT OF PROJECTS AND PRE-PROJECT IN THE AREA OF ECONOMIC INFORMATION AND MARKET INTELLIGENCE AND SUMMARY TABLE

(i) PD 34/00 Rev.2 (M) Extension and Consolidation of the National Statistical Information System [Bolivia]

The Vice-Ministry of Agriculture and Fisheries, through Project PD 1/97 Rev.1 (M) - SIFOR/BOL, financed by ITTO and the Government of Bolivia, has implemented, in conjunction with the main institutions generating forest information, a basic forest statistical information system that has served as the basis to develop, for the first time in the country, a forest statistics yearbook at the national level. However, against a backdrop of changing conditions resulting from the process of consolidation of the new National Forest Regime, it has not been possible to develop a system with the capacity to meet the latest information needs in the forest sector.

Thus, in order to heighten the achievements of PD 1/97 Rev.1 (M), it is necessary to extend and consolidate the existing system, incorporating a wider range of forest information, an increased range of economic applications and forest statistics, rates and macroeconomic indicators, so that the results can be used as the basis for policy development and decision making in the sector.

This comprehensive and consolidated system may be used for the design of methodologies for new forest statistical applications and technology transfer activities to ensure the ongoing replication of project outputs and thus improving the knowledge on forest products production and trade and increasing the share of these products in the total exports of the country.

Comments of the Twenty-first Expert Panel

The Panel noted that the recommendations made at its previous meeting had not been adequately addressed and reflected in the revised proposal. The project Outputs and Activities were still general in nature and not sufficiently explained. Output 4 could benefit from more than one activity while the main institutions in Activity 1.1 should be specified. The Panel noted that the commitment of the Bolivian Government on the issue of sustainability has been mentioned, but it should be more specific and translated into concrete actions. The commitment of the government should also be reflected in a substantial contribution to national staff salaries. The evaluation of the achievements, lessons learnt and implications of PD 1/97 Rev. 1 (M), as recommended previously have not been incorporated into the proposal. A summary of the achievements and publications made during the implementation of PD 1/97 Rev. 1 (M) would be also useful. The social, technical and scientific aspects should be further elaborated while the strategy to monitor legal and illegal logging needs to be more clearly stated.

The Panel further noted that the budget had been increased substantially while only one new activity has been added. There was an inexplicable rise in the provision of 'Sundry'. Since materials under PD 1/97 Rev. 1 (M) would continue to be used and taking account of the investment that had been made, the budget for the revised proposal should be reduced. The Panel was also of the view that references to ITTO's area of work as well as the goals of the ITTO Libreville Action Plan should be more specific.

Comments of the Twenty-first Expert Panel

The Panel recommends that:

1. The project Outputs and Activities be further elaborated and justified in light of the achievements of PD 1/97 Rev. 1 (M);
2. A clear commitment by the Bolivian Government be stated with regard to the sustainability of PD 1/97 Rev. 1 (M) and PD 34/00 Rev. 1 (M) through a larger contribution to the national staff salaries as well as the continued use of the forest statistic system being developed. In Annex A, in the profile of the executing agency, show the recurrent budget of the executing agency for the last three years.
3. An activity to undertake an evaluation of the achievements, lessons learnt and implications of PD 1/97 Rev. 1 (M) be included;

4. The ITTO budget for the proposal be reduced by cutting down the provision for 'Sundry' and national staff, and by making fuller use of the materials and investments made under PD 1/97 Rev. 1 (M).

Conclusion of the Twenty-first Expert Panel

The Panel concluded that, with the incorporation of the amendments noted, the project proposal could be commended to the Committee for final appraisal.

Assessment of the Committee at its Twenty-eighth Session

The Committee recommended that the project as revised be approved by the Council for immediate financing from the Special Account.

(ii) PD 74/01 Rev.1 (M) Development and Implementation of Guidelines to Control Illegal Logging for Sustainable Forest Management in Indonesia

The objective of this project is to foster the sustainable management of forests in Indonesia, by enhancing institutional capacity and producing a practical guidelines for controlling illegal logging

By providing statistical analysis and interpretation on the flow of legal and illegal logs or wood from production and protected forest areas, the initial goal of the study is to understand the motivations and the timber value chain which benefits the illegal loggers. Once this is achieved a strategy can be produced to overcome the rampant illegal logging activities currently occurs in many parts of the country. This study, therefore, becomes very important in terms of its contribution to the achievement of sustainable forest management in Indonesia.

Through the results of assessing socio-economic background and verification of the extent and distribution of forest degradation using forest cover density monitoring which will be undertaken in production and protected forest areas in Riau and West Kalimantan, this project will provide a conceptual formulation of guidelines and strategic measures to control illegal logging. Training for responsible officer to control illegal logging and the establishment of computerized data base on the flow of timber will be the key supporting components to achieve the objectives of the project. The project will be executed through effective consultations and coordination with all relevant stakeholders including in the campaign program designed for integral effort to combat illegal logging.

Comments of the Twenty-first Expert Panel

The Panel noted the relevance of this project for ITTO and for global efforts towards sustainable forest management. It recognized the proposal as a potentially strong element of a proposed Action Plan for Illegal Logging to be developed under ITTC Decision 12(XXIX), "Strengthening Sustainable Forest Management in Indonesia". It also noted that there were two related initiatives currently underway, a European Commission funded Illegal Logging Response Centre and a Regional Conference on Illegal Logging sponsored by the World Bank in Jakarta. The Panel felt that the proposal should make reference to these related activities and describe how linkages will be achieved to ensure complementarity.

The Panel felt that the collaboration between the Ministry of Forestry (MoF) and WWF Indonesia strengthened this proposal. It felt, however, that the salary of the project coordinator (to be assigned by WWF) should be included in the budget, either as part of the Government contribution or separately. It also requested a clearer description of how MoF and WWF would share their duties as co-implementing agencies.

The Panel felt that the Development Objective on page 6 of the proposal was better stated in the cover page summary and should be replaced. It cautioned that Output 2.2 (a computerized log tracking system) was ambitious and likely to be unattainable within the proposed project duration, which may be inadequate given the number of proposed field activities in remote locations. The need for a vehicle should be justified in terms of the field activities, and the Executing Agency management costs should be clarified. Finally, the Panel noted that substantial risks are associated with investigating any illegal activity and that these should be reflected in Section 2.9 of the proposal.

Recommendations of the Twenty-first Expert Panel

The Panel recommended that a revised proposal should:

1. Describe how linkages with the other above mentioned related activities will be secured;
2. Redraft the Logical Framework Matrix;
3. Include the salary of the project coordinator in the budget;
4. Clearly describe the duties of the co-implementing agencies;
5. Redraft the development objective as formulated on the cover page;
6. Consider increasing the project duration and/or undertaking the development of a log tracking system under a separate project;
7. Justify the need for a vehicle and a computer;
8. Clarify executing agency management costs; and
9. Detail the risks associated with investigating illegal activity.

Conclusion of the Twenty-first Expert Panel

The Panel concluded that, with the incorporation of the amendments noted, the project proposal could be commended to the Committee for final appraisal. In view of the Panel, this project proposal is eligible for consideration for financing from the Bali Partnership Fund in accordance with Decision 8 (XXV).

Assessment of the Committee at its Twenty-eighth Session

The Committee recommended that the project as revised be approved by the Council for immediate financing from the Special Account.

(iii) PD 79/01 (M) Promotion of the African Timber Trade [Cameroon]

This project proposal is the result of the realization that there are possibilities for intensifying the trade in African timber between producers and consumers.

The objective of the proposed project is to develop a strategy for the promotion of the African timber trade. The project will be based on the following main activities:

- Analysis of the situation regarding producer and consumer countries
- Organization of an international conference
- Formulation of proposals for the establishment of a sub-regional coordination of information exchange, national accounting and forest data distribution structures, and national timber markets adapted to trade requirements.

Comments of the Twenty-first Expert Panel

The Panel noted that this project is a revision of an earlier project 25/99 (M) that was assessed by the 20th Expert Panel. Unfortunately the recommendations of the 20th Panel, even where they have been incorporated, have not resulted in a substantially strengthened proposal. The new proposal lacks clarity and focus and fails to convey either the extent of the problem to be addressed or the involvement of the ATO and its members. The proposal also fails to mention the importance of involvement of trade and industry associations or organizations that are important stakeholders. Further it is not clear if the project foresees a formal involvement of ATO and all members or only some of them.

Recommendations of the Twenty-first Expert Panel

The Panel recommended that the following amendments be made to the proposal before it is considered by the Committee on Economic Information and Market Intelligence at the 30th Session of the ITTC:

1. Provide an analysis of the problem to be addressed. This should include the element of expanding south-north and south-south trade and expanding the number of species traded from sustainably managed sources;
2. Provide a clear description of the process of involving stakeholders: in particular how, and in what form, ATO involvement will be;
3. Amend the budget to remove the purchase of a vehicle;
4. Justify the budget items, for example what is the justification for US\$ 103,758 budget for Duty Travel in a project of only 12 month duration;
5. Redraft the Logical Framework; and
6. Elaborate the Risks, as these may be substantial in a project involving 13 ATO member countries, and describe the means by which these risks will be addressed.

Conclusion of the Twenty-first Expert Panel

The Panel concluded that it could not commend the modified project proposal and submits it to the Committee for further appraisal.

Assessment of the Committee at its Twenty-eighth Session

The Committee recommended that the proposal be reformulated and submitted again to the Committee for consideration.

(iv) PD 87/01 Rev.1 (M) Development of the *Integrated Forestry Compendium*: a Knowledge Base for Forest Management and the Forest Product Industry [Ghana]

The initial version of the *Forestry Compendium*, developed by CAB International and its partners CIFOR, PROSEA, ICRAF and OFI, is a multimedia system designed primarily as a silvicultural guide to the characteristics of forest tree species. Development of the *Global Module of the Forestry Compendium* has been supported by a Development Consortium, including ITTO, which contributed with a one-time payment of US\$100,000.

The aim of this Project is to provide a major enhancement of the *Forestry Compendium* by incorporating comprehensive data on the properties and utilization of wood and non-timber forest products. The proposed "*Integrated Forestry Compendium*" (IFC) will constitute a scientifically sound tool to aid the development of sustainable forest and forest industry management programmes in Ghana and worldwide. The IFC will be produced as a CD-ROM; in future, it is envisaged that its content will be accessible over the Internet and Intranets. It will be disseminated worldwide as part of a programme designed to ensure its sustainability, updating and progressive development.

Comments of the Twenty-first Expert Panel

The Panel noted that the proposal related to further development of the *Forestry Compendium* and that ITTO had contributed to the Global Module of this Compendium with a one-time payment of US\$100,000 through Decision 2(XXVIII) in 2000.

The Panel was concerned whether the principal benefits of the project are to Ghana's forest sector and on the sustainability of the *Integrated Forest Compendium*, an issue that was not addressed in the proposal. The Panel was of the view that the proposal lacked focus on the specific work to be done and that activities were too general in nature and not sufficiently explained. The Panel felt that the budget was high and that the allocation to 'subcontracts' and 'miscellaneous' were a significant part of the total budget and not fully justified. The contribution from the Executing Agency was also small. The commitment of the Ghana's Forestry Commission and other institutions involved in the management of the project proposal, such as FORIG and CABI, should be reflected by significant economic contributions.

In general, the Panel felt that the consideration of this proposal was outside of its technical mandate, as it required more of a policy debate than a technical review and evaluation. In view of this and of the previous involvement of ITTO in the *Forestry Compendium*, which has been considered at Council level,

the Panel recommended that the proposal should be submitted to the Committee for a further policy appraisal.

Recommendations of the Twenty-first Expert Panel

The Panel recommends that:

1. the project proposal be submitted to the Committee for further broad policy consideration and appraisal.

Conclusion of the Twenty-first Expert Panel

The Panel concluded that it could not commend the project proposal and submits it to the Committee for further appraisal.

Assessment of the Committee at its Twenty-eighth Session

The Committee recommended that the project as revised be approved by the Council for immediate financing from the Special Account.

(v) PPD 23/01 (M) Analysis of Tropical Timber Production and Trade Patterns in French-Speaking African Countries During the 90s – Challenges for the 21st Century [Togo]

This pre-project is submitted directly to the Committee following the recommendation of the Expert Panel after its review of the original project proposal [PD 71/01 (M)] submitted by Togo. The following brief relates to the original project proposal of the same title.

The objective of this project is to help improve the collection and analysis of tropical timber production and trade statistics in seven (7) French-speaking African producer countries. The project will establish a working group of 14 specialists in the countries concerned, led by one international expert who will be supported by one assistant. The 14 specialists (2 for each country) will be in charge of the collection and analysis of data in their respective country and the preparation of national reports to be supplied as input to a combined general report. Three workshops are planned for the training of supervisors, analysis and improvement of national study reports and the compilation and editing of the general synthesis report.

Comments of the Twenty-first Expert Panel

The Panel noted the importance of this proposal for the ITTO French-speaking producer members to help improve the collection and analysis of tropical timber production and trade information. However, it noted, that although the proposal mentions that reliable statistical systems are deficient in these countries, it fails to identify the bottlenecks, gaps in the information, reasons for failure of previous attempts to remedy such deficiencies (e.g. ITTO workshops) and the way that the project proposes to address these problems. The Panel felt that a proper assessment of these factors could help to focus the objectives/outputs towards more specific actions. The assessment should also contribute to the identification of potential risks and the way to address them.

The Panel noted that the final output of the project and the sustainability of the data collection/analysis system were unclear. It felt that the national specialists should belong to government structures so that the impact of the training and workshop activities is enhanced and sustained. The Panel welcomed Togo's initiative in submitting such a regional project, but it was of the view that the commitment of the governments from the participating countries should be reflected by economic contributions and that the proposal might benefit from the involvement of ATO in its implementation. The Panel also felt that an activity to evaluate the results of the project should be included. It noted that the Logical Framework Matrix was unclear and that the means of verification for the Specific Objective and the Assumptions required reformulation.

In view of the foregoing comments, the Panel recommended that a Pre-project proposal be submitted, which facilitates the engagement of a consultant to assess current deficiencies and facilitate the drafting of a project proposal incorporating the above comments.

Recommendations of the Twenty-first Expert Panel

The Panel recommends that:

1. A pre-project proposal (not exceeding US\$30,000) be submitted for the consideration of the Committee, which will facilitate the engagement of a consultant to assess the existing information structures, gaps in information, bottlenecks and previous experiences in the seven French-speaking countries. The consultant should also investigate the willingness of the seven countries to participate and contribute to the Executing Agency's costs of implementing the project, as well as the possibility of ATO acting as a facilitator of the project activities. A project proposal incorporating the findings of the pre-project and the above comments should be prepared.

Conclusion of the Twenty-first Expert Panel

The Panel concluded that a pre-project (not exceeding US\$30,000) is necessary in order to assess the situation and the viability of the proposed work and the possible formulation of a project proposal. Such a pre-project proposal could be submitted directly to the Committee for final appraisal.

Assessment by the Committee at its Twenty-eighth Session

The Committee recommended that the pre-project be approved by the Council for immediate financing from the Special Account.

APPENDIX D

PPD 26/01 (M)

ASSESSING THE FEASIBILITY OF AND SUPPORT FOR A TROPICAL TIMBER PROMOTIONAL CAMPAIGN

Implementing Agency: ITTO

Budget: US\$47,600

Duration: 6 months

1. Background

We have studied it, workshopped it and debated it. There is no denying it: tropical timbers are facing tough times.

We need to do something about it. That 'something' must be an aggressive tropical timber promotional campaign.

The Asian financial crisis did not cause the downturn in the market but it certainly accelerated a trend. Statistics in ITTO's Annual Review and Assessment of the World Timber Situation show that demand for tropical timbers in the 'old economy' consumer countries has been weakening for years; a big chunk of market share has been lost to non-tropical timbers and non-timber substitutes. Only China, a 'new economy' consumer, has been bucking the trend.

It is perhaps understandable that over the past decade there has been little concerted attempt to promote tropical hardwoods. The trade was under attack from many directions and all the news on tropical timber was bad. Now, though, it is safe to say that we have moved beyond the emotionally charged campaigns against tropical timbers. Forest policy reforms are firmly embedded in legislation in ITTO member countries, certification is here to stay and the sector is facing up to the problem of illegal logging and the illegal trade in tropical timber.

On top of this there is some good news: timber is scoring some successes against its competitors in life cycle analysis. Even Greenpeace is reportedly recommending wooden housing components over PVC in the UK.

Market conditions are now at a point when a serious generic timber promotional effort could pay dividends. Other timber producers have realised this, too: for example, the American Hardwood Export Council recently started a US\$20 million campaign to promote US hardwoods. The 'Wood for Good' campaign—funded by the Nordic Timber Council, the Forest Growers Association, the UK Timber Trade Federation, some private sector timber interests and the UK and Irish forest services—will spend £9 million over 3 years to sell the message to British consumers.

The Trade Advisory Group (TAG) wishes to alert the Committee and Council to the opportunity that now exists for a similar campaign for tropical timber. It believes that a properly conceived and executed generic tropical timber promotional effort would pay handsome dividends for the sector.

Waging such a campaign would require a strategy involving as many ITTO producer and consumer members as possible. The TAG envisages a campaign that promotes tropical wood without focusing on any one particular source or market. The objectives need to be clearly defined; the main elements of the 'Wood for Good' campaign are listed below in the expectation that they will be a useful starting point for determining a strategy for a tropical timber campaign.

The campaign would aim to:

- Increase the consumption of wood
- Change perceptions about wood

- Encourage its use
- Tackle the (environmental and technical) issues surrounding the use of wood
- Encourage good practice in the industry

The campaign strategy would be one of laying the foundations for individual efforts by members. The strategy would build upon the experiences gained from other's efforts including those from ITTO projects and activities in the field of market development and promotion.

Clearly, the timber industries in ITTO producer countries are at different stages of development. Some of the more developed members have a sophisticated industry capable of producing both commodities and added value products; less developed members are more dependent on the trade in commodity wood products such as logs, sawnwood and commodity plywood. The tropical timber promotional campaign strategy should be one that has something for everyone.

2. The Proposal

The TAG proposes that the Committee recommend to Council the commissioning of a study to examine the feasibility of and support for a generic tropical timber promotional effort. If, as expected, there is widespread support for the concept the TAG would further propose that a recommendation be made to Council for the preparation of a project proposal on "A Tropical Timber Promotion Campaign" that could be submitted by the ITTO Secretariat for funding.

3. Terms of Reference

The Consultant will in close cooperation with the ITTO Trade Advisory Group:

- review the output of completed ITTO projects in the area of tropical timber market promotion for lessons learned and successes achieved
- review project and pre-project proposals and activities in the area of tropical timber promotion that have been submitted to ITTO
- consult with the trade in ITTO producer and consumer member countries to determine the support for a generic tropical timber promotional campaign. The consultant will ensure that, in addition to the views of the main timber producers, the views of the trade in countries with a small but developing international timber trade are canvassed
- consult with the trade in ITTO producers and consumer member countries and, based on input from the trade, propose a generic tropical timber promotional strategy

If the results of the discussions in the trade are positive and there is agreement that a generic promotion campaign should be pursued then the consultant will

- prepare a project proposal for a generic tropical timber promotional effort that meets the requirements of ITTO and the Common Fund for Commodities (CFC)

4. Budget Implications

In order to develop a framework for the promotional effort it will be necessary to build consensus amongst the producer and consumer stakeholders.

The consultant(s) contracted to prepare the project document will be required to build the project proposal around input from stakeholders and this will require, in some cases, international travel.

It is estimated that a budget of US dollars 47,600 would be sufficient to finance a 3 man month consultancy to complete the preparation of a sound project proposal.

Item	US Dollars
3 man month Consultancy fee	30,000
Communication	
Fax, Tel, E-mail	2,000
International Travel	8,000
To facilitate close liason with the TAF and to ensure input from countries with whom electronic communication is difficult	
Subsistence Allowances during international travel Ma. 15 days at US dollars 200 per day	3,000
Sub-total	43,000
ITTO Program Support (10.5%)	4,600
Total	47,600

APPENDIX E

PPD 27/01 (M)

REVIEW OF PNG'S TIMBER TREATMENT PROCESSES

Implementing Agency: Papua New Guinea National Forest Authority

Budget: US\$48,000

Duration: 6 months

1. Summary

An immediate consultancy to assist PNG market its timber products is required, given the impending changes to China's import requirements re: timber treatment standards. These changes affect 70% of PNG's timber trade. The objective of the consultancy is to identify pests harbored in PNG woods and to determine the types of treatment required by exporters from PNG, especially in the light of the impending ban on the use of methyl bromide fumigation process.

2. Issue

Background Potential Non-Tariff Trade Barrier to PNG Wood Exports to China

PNG has been advised that China from the 1st of July 2001 is to change import requirements for timber products, especially logs. It is presumed that this will shortly be extended to other PNG products. However, it is unclear as to exactly what China requires.

There are many ways to interpret the information coming from China, including:

- From 1 July, all imported logs must be accompanied by a Plant Quarantine Certificate
- Logs imported with bark must be treated effectively before leaving the export country or
- Logs if containing bark, must have bark removed in exporting country and then the logs are properly treated. All imported round logs must be effectively treated before leaving the exporting country or area, with method of treatment, name of treatment solution and strength, treatment time and temperature clearly shown on the plant quarantine certificate.

China is imposing these requirements due to concern regarding organisms attacking their tree plantations.

3. Implications to PNG Timber Trade

PNG stands to lose some 70% of its timber trade unless it can meet China's import requirements. China imports from PNG some 775,000 m³ of timber worth some US\$105 million per year. The direct income loss to the PNG government is some US\$20 million per annum.

4. Terms of Reference for Consultants

Entomologist

Qualifications

- Expert tropical entomology
- Minimum of 15 years experience

Duties

- Ascertain the type of pest insects, fungi etc. which may be present in PNG timber products which may occur in other exporting countries
- Ascertain what is the pest problem in China and pests of concern to China

Timber Treatment Specialist

Qualifications

- Doctorate wood science specializing in timber treatment processes
- 15 years experience in tropical wood treatment process

Duties

- Develop suitable cost-effective methods for PNG exporters of timber products which will meet importing countries' quarantine standards

Determine:

- How to protect the wood fibre of the log after bark removal especially when shipping logs long distances
- Develop quality assurance programs for exports in conjunction with PNG NAQIA
- Develop alternatives to methyl bromide treatment of timber products such as to allow PNG to continue to export its timber products

6. Budget

Item	Specifications	US\$
Consultant x 2	72 man days	25,000
Travel to PNG		3,000
Travel within country		2,000
Per diem/accommodation	US\$200/day	12,400
Workshop PNG		3,000
Program Support (5.5%)		2,600
Total		48,000

* * *

SUMMARY TABLE

TECHNICAL EVALUATION OF PRE-PROJECTS IN THE AREA OF ECONOMIC INFORMATION AND MARKET INTELLIGENCE

PROJECT DOCUMENT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY		ITTO BUDGET US\$	DURATION (MONTHS)	GEOGRAPHIC COVERAGE	RECOMMENDATION(*)
		Art.27 Para.1	Art.27 Para.4				
PD 34/00 Rev.2 (M)	c, e, f, h, k, n	a-c, f	b, g	352,005	24	Bolivia	1
PD 74/01 Rev.1 (M)	a, c, f, i, k, l	a-c, f	b, g	665,850	24	Indonesia	1
PD 79/01 (M)	a, b, c, e, h, i, k, n	a-c, f	b, g	244,254	12	Cameroon	2(a)
PD 87/01 Rev.1 (M)	c, f, h, j	a-c, f	b, g	442,777	18	Ghana	1
PPD 23/01 (M)	a, c-f, h, k	a-c, f	b, g	29,910	4	Togo	1

- (*)
1. Recommend to the ITTC to approve the (amended) proposal for implementation by ITTO and recommend it for immediate financing.
 2. Recommend to the ITTC that the proposal be revised and resubmitted: directly to the relevant Committee, or (b) to the Expert Panel.
 3. Recommend to the ITTC to approve the proposal for ITTO sponsorship for funding through other relevant financial institutions, in accordance with Article 20, (6) and (7), and Article 28, of the ITTA, 1994.
 4. Recommend to the ITTC that a decision on the proposal be deferred until the next session.
 5. Recommend to the ITTC that the proposal should not be further considered by ITTO.

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TWENTY-EIGHTH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL FROM
THE TWENTY-EIGHTH SESSION OF THE COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT
28 May – 2 June 2001**

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REPORT

Item 1 - Opening of the Session

The Twenty-eighth Session of the Committee was opened, on 28 May 2001, by the Chairperson of the Committee on Reforestation and Forest Management, Mr. Chen Xuhe (The People's Republic of China). The list of participants is reproduced in document ITTC(XXX)/Info.2 Rev.1.

Item 2 - Adoption of Agenda and Organization of Work

At its first meeting in a joint session on 28 May 2001, the Committee formally adopted the Agenda of its Twenty-eighth Session as contained in document CRF(XXVIII)/1.

Item 3 - Admission of Observers

A list of observers admitted by the Committee in a joint session to attend its Twenty-eighth Session is contained in document ITTC(XXX)/Info.3 Rev.1.

Item 4 - Report of the Expert Panel for Technical Appraisal of Project Proposals (Joint Session of the Committees)

Dr. Abdul Rahman Bin Abdul Rahim (Malaysia), Chairman of the Expert Panel, presented its report as contained in document CEM, CRF, CFI(XXVIII)/1. Highlights of the general points of the report as presented included the following:

- (viii) Member Countries should maintain the Organization's spirit of co-operation and submit high quality proposals to the ITTO Committees.
- (ix) Member Countries should formulate proposals according to the agreed standard format when seeking project assistance from ITTO.
- (x) Revision of the Manual for Project Formulation.
- (xi) Project Proposals should be endorsed by the National Focal Point before submission to ITTO Secretariat.
- (xii) Project Proposals should be tailored to the national priorities of the Project Formulator.
- (xiii) General areas of weakness in proposals submitted:
 - Logical Frameworks were poorly conceptualized and constructed.
 - Development Objective was often confusing and difficult to understand.
 - Activities were not sufficiently detailed to explicitly indicate what would be done
 - Assumptions were not linked to risk.
 - Unit cost information was often too brief.
 - Local cost contributions were not clearly addressed.
 - No indication of project sustainability after completion.
 - Background information (when necessary) not clearly provided.
 - Economic, social and environmental aspects were insufficiently addressed.
 - Technical and scientific aspects were inadequately addressed.
 - Compliance with the ITTO Action Plan was not clearly presented.
- (xiv) Some of the categories of Decision required modification.

On the Expert Panel's recommendation for the Secretariat to undertake an evaluation of the Training Workshops on Project Formulation, the Committees were informed by the Secretariat that action in this regard had been taken by the Committee on Forest Industry at its previous Session during its review of the implementation of project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation". The Secretariat further informed that the evaluation of the Training Workshops on Project Formulation would be conducted by an independent consultant in the second half of this year.

Item 5 – 2001 Market Discussion (Joint Session of the Committees)

The Committee noted the report of the ITTO 2001 Market Discussion as contained in Appendix A of CEM(XXVIII)/7. The theme of the Market Discussion was "Regulations for a Sustainable Timber Trade - Relevant Issues". The moderator was Mr. Barney Chan (Sarawak Timber Association) and the Rapporteur was Mr. Graham Bruford (Timber Trade Federation, U.K.). The following presentations were made during the Market Discussion:

Dr. Alastair Fraser, LTS International Ltd., U.K.	"The Medium-term Outlook for the Tropical Timber Market"
Mr. James Bolton, U.S.A.	"Competitiveness of Tropical Timber vis-à-vis Timber and Non-timber Substitutes"
Carlos Roxo, Aracruz Celulos S.A., Brazil and Graham Bruford, Timber Trade Federation, U.K.	"Creating an International Mutual Recognition Framework for Forest Certification Systems"
Robert Atangana, Cameroon	"The Impact of Government Policy on Timber Exports from Cameroon"
Mr. Kenneth MacDicken, CIFOR, Indonesia	"Making Sustainable Forest Management Work in Africa: Beating the Odds"
Mr. Jean-Jacques Landrot, ATIBT, France	"Regulations for a Sustainable Timber Trade – The African Perspective"
Mr. Ivan Tomaselli, STCP Engenharis de Projectos, Brazil	"Regulations for a Sustainable Timber Trade – The Latin American Perspective"

The Committee also noted the statement of the Trade Advisory Group as contained in Appendix B of CEM(XXVIII)/7 that was presented to the Council at its current Session and which introduced the theme of the Market Discussion.

Item 6 - Report on Completed Projects and Pre-Projects

6.1 Completed Projects

The Secretariat informed the Committee that the completed projects are listed in document CRF(XXVIII)/3, "Report on Completed Projects and Pre-Projects in the Field of Reforestation and Forest Management", and are divided into two groups (A) and (B).

Group (A) lists the projects where the field activities have been completed, and the final report and other technical documentation have been submitted to the Secretariat as well as the audited financial report of the project's accounts.

Group (B) lists the projects where the field activities have been completed, and the final report and other technical documentation have been submitted to the Secretariat but where the audited financial report of the project's accounts is still pending.

The Committee then proceeded to review the following completed projects:

(A) Completed Projects, Including Financial Audit

- 1) 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-Bakundo (Cameroon)**

The Committee was informed that the Project Completion Report has been received by the Secretariat after the deadline. Therefore the project will be reported as completed during the forthcoming Committee Session. The Committee took note of this information.

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

The Committee took note that the Completion Report and the Audited Financial Report have been submitted. The Secretariat requested some clarification on the Completion Report from the Executing Agency before considering the project as completed. The Committee took note of this information.

- 3) **PD 171/91 Rev.2 (F) Conservation and Management for Multiple Use and Development of Colombian Mangrove Swamps, Phase I (Completed), Phase II - Stage I (Completed), Phase II - Stage II (Completed) (Colombia)**

The Committee took note that the Final Report, as well as a series of publications and technical reports describing in detail the results of the activities of the various phases and stages of this project, had been submitted by the Executing Agency. The Final Report and the publications are available from the Secretariat upon request. Furthermore, the Audited Financial Report had been received by the Secretariat. The Committee decided to consider the project as completed.

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

The Committee took note that the Final Report, as well as a series of publications and technical reports describing in detail the results of the activities of this project, had been submitted by the Executing Agency. The Final Report and the publications are available from the Secretariat upon request. Furthermore, the Audited Financial Report had been received by the Secretariat. The Committee decided to consider the project as completed.

- 5) **PD 33/93 Rev.1 (F) Conservation, Management, Harvesting and Integrated and Sustained Use of Forests in the Chimanos Region, Beni, Bolivia - Phase I (Bolivia)**

The Committee took note that the Final Report, as well as a series of publications and technical reports describing in detail the results of the activities of this project, had been submitted by the Executing Agency. The Final Report and the publications are available from the Secretariat upon request. Furthermore, the Audited Financial Report had been received by the Secretariat. The Swiss Delegation suggested the project be considered for ex-post evaluation. The Committee decided to consider the project as completed.

- 6) **PD 49/94 Rev.1 (F) Establishment of an Ongoing Forest Monitoring Network (Permanent Growth Plots) in the Forest Reserves and Woodlots of the Guiana Region (Venezuela)**

The Committee took note that the Final Report, as well as a series of technical reports describing in detail the results of the activities of this project, had been submitted by the Executing Agency. The Final Report is available from the Secretariat upon request. Furthermore, the Audited Financial Report had been received by the Secretariat. The Committee decided to consider the project as completed.

- 7) **PD 13/96 Rev.1 (F) Multiple-Use Management in the Macauã National Forest Based on Rubber Estates - Phase I: Development of a Master Plan to Support Community Organization (Brazil)**

The Committee took note that the Final Report, as well as a series of technical reports describing in detail the results of the activities of this project, had been submitted by the Executing Agency. The Final Report is available from the Secretariat upon request. Furthermore, the Audited Financial Report had been received by the Secretariat. The Swiss Delegation suggested the project be considered for ex-post evaluation. The Committee decided to consider the project as completed.

(B) Completed Projects, Pending Financial Audit

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

The Committee noted that this project was reported as completed, pending the Audited Financial Report, at the XXV CRF Session. The Brazilian Delegation informed the Committee that the Audited Financial Report is currently being completed and will be submitted to the Secretariat before the next Council Session.

2) * PD 162/91 Rev.1 (F) Intensification of Growth and Yield Studies in Previously Logged Forest (PNG)

The Committee took note that the project was reported as completed in CRF (XXVI)/3, however, the Audited Financial Report has not yet been submitted to the Secretariat. The PNG Delegation informed the Committee, that the Report is currently being completed and that it will be submitted before the next Council Session.

3) PD 18/92 Rev.2 (F) Determination of a Forest Typology Related to Silvicultural Systems (Côte d'Ivoire)

The Committee noted that the Completion Report, the Audited Financial Report and the Final Technical Report have been submitted to the Secretariat. Copies of the reports are available upon request from the Secretariat. The project can be considered as completed upon the submission of further copies of Technical Publications to the Secretariat.

4) * PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guidelines on the Protection of Tropical Forests Against Fire (Indonesia)

The Audited Financial Report has been received and accepted by the Secretariat. Therefore, the Committee decided to consider the project as completed.

5) * PD 22/93 Rev.4 (F) Forest Management, Community Participation and Sustainable Utilization in Si-Kop Forest Area, Coastal Province, Cameroon (Cameroon)

The Committee was informed that the Executing Agency has to return the unspent funds amounting to US\$1,300 to ITTO. The Committee will consider the project as completed upon reception of the unspent funds by the Secretariat.

6) PD 26/93 Rev.1 (F) Development of Bentuang Karimun Nature Reserve as National Park (Phase I) (Indonesia)

The Indonesian Delegation underlined the importance of this pioneer project promoting the trans-boundary conservation with Malaysia. The Swiss Delegation suggested the project be considered for ex-post evaluation together with Lanjak-Entimau Wildlife Sanctuary Project in Sarawak (PD 15/95 Rev.2 (F)). The Committee considered the project as being completed.

7) PD 18/94 Rev.1 (F) Participatory Forest Development in the Alto Mayo Region for the Sustainable Management of Moist Tropical Forests, Phase I (Completed), Phase II (Completed) (Peru)

The Committee took note that the Final Report, as well as a series of technical documents, of this phased project had been submitted by the Executing Agency. The Final Report and the technical documents are available from the Secretariat upon request. It further noted that the Audited Financial Report of the project's Phase II accounts has not yet been submitted to the Secretariat. The Committee decided to consider this project as completed as soon as the Secretariat receives and accepts the audited financial report of Phase II of the project.

- 8) * PD 28/94 Rev.2 (F) **Continuation of the Publication of the Journal "Bosques y Desarrollo" and Organization of a Communication and Information Service (Andean Region)**

The Committee noted that this project was reported as completed, pending the Audited Financial Report, at the XXVII CRF Session. It therefore urged the Executing Agency to submit the Audited Financial Report to the Secretariat without any further delay.

- 9) PD 31/94 Rev.1 (F) **Planning Practical and Cost-Effective Strategies for Genetic Resource Conservation of Commercial Tree Species in Tropical Asia and the Pacific (Regional, Malaysia)**

The Committee was informed that the Executing Agency has to return unspent funds amounting to US\$114,000 to ITTO. The Committee will consider the project as completed upon the reception of the unspent funds by the Secretariat.

- 10) PD 16/95 Rev.2 (F) **Forest Health Monitoring to Monitor the Sustainability of Indonesian Tropical Rain Forests (Indonesia)**

The Committee was informed that the Audited Financial Report has been submitted to Secretariat. However, the Implementation Agency requested to use US\$ 10.000 of remaining funds for the dissemination of project results through publications. The Committee will consider the project as completed when the Secretariat has received the original receipts for these expenditures.

- 11) PD 30/95 Rev.1 (F) **Dissemination and Training on ITTO Guidelines and Criteria - Phase II - Stage I (Completed), - Stage II (Completed) (Brazil)**

The Committee took note that the Final Report, as well as a series of technical documents, of this phased project had been submitted by the Executing Agency. The Final Report and the technical documents are available from the Secretariat upon request. It further noted that the Audited Financial Report of the project's Stage II accounts has not yet been submitted to the Secretariat. The Committee decided to consider this project as completed as soon as the Secretariat receives and accepts the Audited Financial Report for Stage II of the project.

- 12) PD 21/99 Rev.1 (F) **International Conference on Timber Plantation Development (Philippines)**

The Delegation of the Philippines informed the Committee that the Conference Proceedings are being finalized and the financial audit is currently being carried out. The results will be submitted to ITTO before the next Committee Session. The Committee took note of this information.

* The project was reported as 'Completed Projects, Pending Financial Audit' during a previous Council Session.

6.2 Completed Pre-Projects

None

Item 7 - Ex-post Evaluation

(A) Ex-post Evaluation

The following projects, selected for ex-post evaluation by the Committee at its Twenty-fifth Session, are currently being finalized:

- PD 37/92 Rev.1 (F) Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest (Gabon)
- PD 8/95 Rev.1 (F) Multiple Resource Stratification, Mapping and Inventory for the Management of the First Forest Zone in Gabon - Phase I (Gabon)

The Gabonese Delegation affirmed that the consultant assigned to conduct the ex-post evaluation has consulted the Government of Gabon during the review. The Delegation further explained that the draft report of the ex-post evaluation for PD 37/92 Rev. 1 (F) reveals the need to follow up on the initiatives started under the completed project and requested assistance from the ITTO Secretariat to formulate the Phase II proposal of PD 37/92 Rev.1 (F). The Committee took note of the information.

(B) Selection of Projects for Ex-post Evaluation

The Committee took note of the need to select completed projects for ex-post evaluation in accordance with Decision 4(XXV), Annex A, Section VII "Evaluation", point 2.

The Committee established a small informal open-ended working group to pre-select projects for ex-post evaluation. The group consisted of delegates representing Japan, Switzerland and USA. The group used document CRF(XXVIII)/5 "Shortlist of Completed Projects Relevant for Ex-Post Evaluation in the Field of Reforestation and Forest Management Grouped according to Main Objectives" and Decision 3(XXVIII) as a basis for their work.

The working group further presented to the Committee a list of 13 projects pre-selected for ex-post evaluation grouped into 4 major themes, including projects that had been selected for ex-post evaluation at previous Committee Sessions but that are now grouped together under one single theme. The working group's report was considered by the Committee, which approved the following projects for ex-post evaluation:

Group 1: Forest Management/Inventory

- | | |
|----------------------|---|
| PD 176/91 Rev.1 (F)* | Sustained Management for Production, Conservation, Demonstration, Diffusion and Promotion Activities in Moist Tropical Forests in Ecuador's Northwest (Ecuador) |
| PD 18/94 Rev.1 (F)* | Participatory Forest Development in the Alto Mayo Region for the Sustainable Management of Moist Tropical Forests, Phase I (Completed), Phase II (Completed) (Peru) |
| PD 95/90 (F)* | Forest Management in the Alexander von Humboldt National Forest, Phases I, II, and III (Peru) |

Group 2: Community Forestry, Community Participation (Latin America)

- | | |
|--------------------|---|
| PD 33/93 Rev.1 (F) | Conservation, Management, Harvesting and Integrated and Sustained Use of Forests in the Chimanes Region, Beni, Bolivia - Phase I (Bolivia) |
| PD 34/88 Rev.1 (F) | Conservation, Management, Utilization and Integrated and Sustained Use of the Forests in the Chimanes Region, Beni Department, Bolivia (Bolivia) |
| PD 13/96 Rev.1 (F) | Multiple-Use Management in the Macaú National Forest Based on Rubber Estates - Phase I: Development of a Master Plan to Support Community Organization (Brazil) |

Group 3: Community Forestry, Community Participation (Africa)

- | | |
|--------------------|---|
| PD 22/93 Rev.4 (F) | Forest Management, Community Participation and Sustainable Utilization in Si-Kop Forest Area, Coastal Province, Cameroon (Cameroon) |
| PD 27/94 Rev.2 (F) | Women and Tropical Forest Development Program (Ghana) |

Group 4: Forest Fire

- | | |
|--------------|---|
| PD 17/87 (F) | Investigation of the Steps Needed to Rehabilitate the Areas of East Kalimantan Seriously Affected by Fire (Indonesia) |
| PD 84/90 (F) | The Establishment of a Demonstration Plot for Rehabilitation of Forest Affected by Fire in East Kalimantan (Phase II of PD 17/87 (F)) |

PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guidelines on the Protection of Tropical Forests Against Fire (Indonesia)

Group 5: Biodiversity Conservation/Conservation Areas

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

PD 26/93 Rev.1 (F) Development of Bentuang Karimun Nature Reserve as National Park (Phase I) (Indonesia)

- * These projects have been selected for ex-post evaluation at previous Committee Sessions but are now grouped together under one single theme.

The Committee further requested the Secretariat to initiate the necessary arrangements for the conduct of the ex-post evaluation before the next Council Session.

Item 8 - Review of Project and Pre-Project Work in Progress

8.1 Project Work in Progress

The Committee took note of a status report (document CRF(XXVIII)/4) by the Secretariat on the 96 projects, in the field of Reforestation and Forest Management, that have been approved by the Council, and which are either: A) in the process of implementation (76), B) awaiting the signing of an Agreement (10), C) pending finance (9), or D) falling under the sunset provision since the last Session (1).

The Committee noted the reports on the progress of these projects in the above document. In view of the desire of the Committee to further streamline its work in accordance with Council Decision 4(XXV) Annex A, Section VI.1, the Committee requested the Secretariat and Members to limit the reporting and discussion during the Session to those projects that are:

- having implementation problems;
- requiring additional funds;
- requesting extension in time of more than 6 months beyond the original duration of the project; or
- requesting essential major modifications of the work plan and budget.

However, time should also be allocated, where possible, to brief presentations on important project results and lessons learned.

Considering the large number of projects for which the Implementing Agencies have requested for extension in time in order to complete the project activities and reporting, the Committee urged the Implementing Agencies to implement the projects smoothly in accordance with the approved work plan and budget. Should extension in time be required, such request must be properly justified and supported by an updated work plan and budget for the extension in cooperation with the Secretariat for final approval by the Committee.

The Committee then proceeded to discuss the issues associated with a number of projects. Details of these discussions are as follows:

(A) Projects under implementation

1) PD 68/89 Rev.1 (F) **Management of the Tapaj s National Forest for Sustainable Production of Industrial Timber (Brazil)**

The Committee noted that the progress report had been submitted to the Secretariat after the deadline, and that the Project's Steering Committee had met at Santarem on 21-22 May 2001 and reported substantial progress in project activities.

2) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forests (Malaysia)

The Malaysian Delegation informed the Committee that the Seminar to disseminate results has been organized and the draft of the technical guidelines is being reviewed, taking into account the outcomes of the Seminar. A project extension to the end of the year was requested in order to finalize the technical guidelines. The Committee agreed to grant the project an extension until December 2001 without additional funds.

3) PD 26/92 Rev.2 (F,I) Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon (Cameroon)

The Delegation of Cameroon informed the Committee that the project report and Audited Financial Report are being finalized and therefore requested an extension of 6 months. The Committee urged the Implementing Agency to finalize the outstanding matters without further delay and agreed to grant the project an extension until December 2001 without additional funds.

4) PD 2/93 Rev.1 (F) Integrated Pilot Management of the Ngoua II Forest-North - Phase I: Preparation of the Management Plan (Congo)

The Congolese Delegation informed the Committee that the conduct of final workshop was delayed and requested a project extension of 3 months to finalize the remaining project activities. The Committee agreed to grant the project an extension until September 2001 without additional funds.

5) PD 24/93 Rev.2 (F) Forest Management of Natural Forest in Malaysia - Phase II (Malaysia)

The Malaysian delegation informed the Committee that there was a significant delay in the appointment of the international consultant and that a project extension was needed until the end of this year. The Committee agreed to grant the project an extension until December 2001 without additional funds.

6) PD 8/94 Rev.2 (F) Evergreen Club of Ghana/ITTO Youth in Forestry Project (Ghana)

The Committee was informed that the Completion Report and Audited Financial Report have not been received by the Secretariat. The Committee urged the Implementing Agency to submit all reports to ITTO without further delay.

7) PD 3/95 Rev.2 (F) Conservation and Provenance Plantings and Integrated Pest Management to Sustain Iroko Production in West Africa (Ghana, Côte d'Ivoire, Cameroon)

The Cameroonian Delegation informed the Committee that the Final Report of the project will be available soon and requested a project extension. The Committee granted the project an extension until October 2001 without additional funds.

8) PD 14/95 Rev.2 (F) Model Forest Management Area - Phase II (Malaysia)

The Swiss Delegation requested information on the status of the dissemination of project outputs. The Malaysian Delegation informed the Committee that the Project Completion Report and the Final Report have been finalized and submitted to ITTO, and that the final Workshop involving all stakeholders was held in Sarawak in December 2000 to disseminate the results. Considering the importance of the project outputs as a model forest, the Committee requested the Implementing Agency to further disseminate the report within the region and ITTO Member countries.

9) PD 31/95 Rev.3 (F) A Model Project for Cost Analysis to Achieve Sustainable Forest Management (Malaysia)

The Japanese delegation expressed interest in the cost analysis which resulted from the project implementation. The Malaysian Delegation highlighted the activities of the project and indicated that the details of the results will be published in two volumes of the project report. The Committee took note of this information.

- 10) PD 37/95 Rev.2 (F) **Management of Cativo Forests and Non-Timber Products with the Participation of Rural and Indigenous Communities, Darien, Panama (Panama)**

The Committee took note of the Executing Agency's request for an extension in order to successfully complete the project's activities. In this light, the Committee endorsed an extension of the project until the end of December 2001, without additional funds.

- 11) PD 41/95 Rev.1 (F) **Piloting Collaborative Forest Management Systems for Off-Reserve Areas in Southern Ghana (Ghana)**

The Committee noted that the Project Completion Report and Audited Financial Report have been submitted to ITTO, but requested that the technical report on community forestry also be submitted to the Secretariat.

- 12) PD 44/95 Rev.3 (F) **Management and Conservation of Mangroves in the Gulf of Fonseca, Honduras Phase I (Operational), Phase II (Pending Agreement) (Honduras)**

The Committee, noting a delay in the development of the mangrove management plan for the Gulf of Fonseca, urged the Executing Agency to strive to achieve this objective and begin implementing the plan within the remaining timeframe allocated to the project's first phase.

- 13) PD 12/96 Rev.2 (F) **Development of a Sustainable Management Plan for the Souanke-Sembe-Kelle Area (Phase II) (Congo)**

The Congolese Delegation requested a six months extension to finalize the Final Report. The Committee agreed to grant the project an extension until September 2001 in order to finalize the report without additional funds.

- 14) PD 16/96 Rev.4 (F) ***Ex situ* Conservation of *Shorea leprosula* and *Lophopetalum multinervium* and their Use in Future Breeding and Biotechnology (Indonesia)**

The Indonesian Delegation reported to the Committee that planting was delayed this year due to irregular seed production, and requested an extension until the end of this year. The Committee agreed to grant the project an extension until December 2001 without additional funds and noted that the international conference will be held in Yogyakarta, Indonesia from 11 to 13 June 2001, as informed by the Secretariat.

- 15) PD 26/96 Rev.4 (F) **Studies on the Management Standards of Hill Dipterocarp Forests in Sarawak from a Watershed Management Point of View – Phase II (Malaysia)**

The Malaysian Delegation reported to the Committee the progress in project implementation including the implications of moving the project to a new site, as noted by the Committee during its Twenty-seventh Session in Yokohama, November 2000. The Delegation requested the Committee to consider a proposal for project extension with additional funds as reflected in the document CRF(XXVIII)/7. In response to the query from the Japanese Delegation, the Malaysian Delegation also explained the plan to conduct a final Workshop in September 2001 in order to disseminate the project results. Having considered the Malaysian proposal, the Committee agreed to grant the project an extension until December 2001 with additional funds amounting to US\$90,591.00, as contained in the document CRF(XXVIII)/7.

- 16) PD 27/96 Rev.1 (F) **Forestry and Genetic Improvement of the Okoume (*Aucoumea Klaineana* Pierre) - Phase II (Gabon)**

The Gabonese Delegation informed the Committee that the Completion Report is still being finalized and that a project extension is required. The Committee agreed to grant the project an extension until December 2001 without additional funds.

- 17) PD 30/96 Rev.3 (F) **Project for a 2,500 ha Timber Production Plantation in the Reserved Forest of Haho-Baloe** (Plateaux Region - Togo)

The Togolese Delegation explained the work in progress for plantation and natural regeneration in the project sites. The Committee took note of this information.

- 18) PD 35/96 Rev.2 (F) **Conservation and Maintenance of Biological Diversity in Tropical Forests Managed Primarily for Timber Production, Surigao Del Sur, Philippines** (Philippines)

The Delegation of the Philippines informed the Committee about the recent political situation in the country and the expected changes of forestry administration personnel which will delay the process of consultation with the local government and made a project extension necessary. The Committee agreed to grant the project an extension until July 2002 without additional funds.

- 19) PD 4/97 Rev.3 (F) **Development and Promotion of Afforestation Activities in Egypt - Phase I (Operational), Phase II (Operational)** (Egypt)

The Egyptian Delegation informed the Committee on the international conference held with the support from FAO to disseminate the project results and acknowledged the need to improve the Completion Report as requested by the Secretariat. The Committee took note of this information.

- 20) PD 9/97 Rev.1 (F) **Landowner Education and Training for Sustainable Forest Management** (Fiji)

In the recent Progress Report, the Implementing Agency requested a one-year extension of the project due to delays in implementation caused by political unrest. The Committee approved an extension of the project until March 2002 without additional funds.

- 21) PD 10/97 Rev.1 (F) **A Sustainable Management Model in the Iwokrama Rain Forest** (Guyana)

The Committee, noting a delay in the development of the model forest management plan and the commercial feasibility study, urged the Executing Agency to strive to immediately initiate these activities. Furthermore, it requested the Secretariat carry out a monitoring visit in June 2001, rather than the previously scheduled Steering Committee Meeting, in order to access in depth on the terrain the project's situation and brief the Committee at its next Session.

- 22) PD 12/97 Rev.1 (F) **Forest, Science and Sustainability: The Bulungan Model Forest** (Indonesia)

The Indonesian Delegation announced that the Project Steering Committee will be held in 13 June 2001 in Jakarta. The Committee took note of the information.

- 23) PD 21/97 Rev.2 (F) **Developing Tropical Forest Resources through Community-based Forest Management, Nueva Vizcaya, Philippines** (Philippines)

The Delegation of the Philippines highlighted the progress in project implementation and indicated that an extension is required in order to finalize the inventory work and growth data analysis. The Committee agreed to grant the project an extension until December 2001 without additional funds.

- 24) PD 24/97 Rev.1 (F) **Project for Sustainable Forest Management in Pando, Bolivia** (Bolivia)

The Committee noted that the Project's Steering Committee had met at Cobija on May 16 and 17, 2000, at which the Executing Agency presented a draft version of the Pando Forestry Development Plan and its related Research Program. The Committee urged the Executing Agency to strive to immediately finalize these activities.

25) PD 45/97 Rev.1 (F) On-site Training for Tropical Foresters and Forestry Trainers (Brazil)

Noting that the project completed all its field activities in August 2000, the Committee urged the Executing Agency to present the project's Final Report, its related technical reports, and the Audited Financial Report to the Secretariat in order to deem this project as complete before the Committee's Twenty-ninth Session in October 2001. The Committee further requested the Executing Agency give a presentation and distribute related technical publications on the project's achievements at its next Session in Yokohama, Japan. The presentation should also include developments as related to RIL in Malaysia and other countries.

26) PD 57/97 Rev.1 (F) Establishment of Satellite Remote Sensing Monitoring and Geographic Information System for Tropical Natural Forests in Hainan Province (China)

The Committee requested the Implementing Agency to submit the technical reports to the Secretariat.

27) PD 21/98 Rev.2 (F) Forest Management, Community Involvement and Sustainable Use of Si-Kop Forest Area (Coastal Province, Cameroon) (Phase II) (Cameroon)

The Cameroonian Delegation reported that the first Project Steering Committee Meeting was held in Edea on May 23 and that the project is progressing well. The Committee took note of the information.

28) PD 36/98 Rev.1 (F) Establishment of Forestry Sector Draft Development Plan for Sustainable Forest Management in Cambodia (Cambodia)

The Secretariat informed the Committee that the project required an extension due to the replacement of the consultant. The Committee agreed to grant the project an extension until December 2001 without additional funds.

29) PD 23/99 Rev.2 (F) Testing of ITTO Revised Criteria and Indicators and Dissemination of Results Applying to Cameroon (Cameroon)

The Cameroonian Delegation informed the Committee that project implementation had suffered serious delays due to difficulties in recruiting an international consultant. It therefore requested a one year project extension. The Committee approved an extension of the project until June 2002 without additional funds.

(B) Projects awaiting implementation agreement

1) PD 44/99 Rev.2 (F) Implementation of a Management Plan by the Chiquiaca and Orozas Communities in Tarija, Bolivia

The Committee noted that the agreement had been finalized on 27 April 2001.

The Committee requested the donor countries to follow-up on their contributions in order not to hamper project implementation. It further requested the Secretariat and the Implementing Agencies to expedite the inception phase of the projects in order to achieve more effective implementation.

(C) Projects coming under the sunset provisions since the last Session

1) PD 40/98 Rev.2 (F) Preparation for the Implementation of a Community-Based Sustainable Forest Development Plan in the Miguel River Basin, District of Donoso (Panama)

8.2 Pre-Project Work in Progress

Sixteen pre-projects have been approved by the Committee and are under implementation, in preparatory stages or awaiting funding. The Committee took note of a status report of these pre-projects submitted by the Secretariat in document CRF(XXVIII)/4.

The Committee discussed the issues associated with a number of pre-projects. Details of these discussions are as follows:

(A) *Pre-Projects under implementation*

1) PPD 8/93 Rev. 1 (F) **Demonstration Areas for Sustainable Management of production Forests (Global)**

The Japanese Delegation raised the question about the progress and recommendations of this pre-project. The Secretariat explained that the consultants are in the process of finalizing their report, which will be presented during the next Council Session. The Japanese Delegation suggested that ITTO initiate its own website for networking between the model projects. Moreover, the Secretariat has been approached by FAO to collaborate in a new initiative that seeks to examine existing model areas for sustainable forest management in the African Region in order to identify lessons learned from these efforts as well as successful approaches to be used in future projects. The Committee took note of the information.

2) PPD 13/96 Rev.1 (F) **Establishment of a Network of Permanent Sample plots to Monitor the Dynamics of the Côte d'Ivoire Reserved Forest (Côte d'Ivoire)**

The Delegation of Côte d'Ivoire informed the Committee that the Completion Report and Audited Financial Report are still being finalized. The Committee requested the Implementing Agency to submit to ITTO all reports without further delay.

3) PPD 4/97 Rev.1 (F) **Rehabilitation of Damaged Areas of the "Cerrado" (Brazil)**

The Committee reiterated its request to the Executing Agency to present the pre-project's Final Report, the Audited Financial Report and the Project Proposal to the Secretariat without further delay. The Brazilian Delegation informed the Committee that it is following up on the status of these documents and that it will inform the Secretariat.

4) PPD 7/97 Rev.1 (F) **Forestry Inventory for the Sustainable Production of Mahogany Timber (Brazil)**

The Committee reiterated its request to the Executing Agency to present the pre-project's Final Report, the Audited Financial Report and the technical reports to the Secretariat without further delay. The Brazilian Delegation informed the Committee that the aforementioned documents are currently being completed and will be submitted to the Secretariat before the next Council Session.

5) PPD 10/97 Rev.2 (F,I) **Formulation of a Project Proposal for Sustainable Management and Rehabilitation of Nepal's Tropical Forest Resources through Community Participation and Manpower Development (Nepal)**

The Committee urged the Implementing Agency to submit the Completion Report and Audited Financial Report to ITTO.

6) PPD 11/97 (F) **Assessment of the Forestry Sector (Liberia)**

The Swiss Delegation expressed concern about the lack of progress in the implementation of this pre-project. The Secretariat informed the Committee about the difficulty to establish regular communications with the Implementing Agency. The Committee requested the Secretariat to notify the Implementing Agency about this concern and to inform the Committee about the status of the project during its next Session in order to reassess the situation.

7) PPD 19/99 Rev.1 (F) Strengthening Sustainable Management of Natural Forests I Asia-Pacific (Indonesia and Australia)

The Indonesian Delegation informed the Committee that the Reduced Impact Logging Conference was held in Kuching, Sarawak from 26 February to 1 March 2001 and that a full project proposal has been developed to be submitted to ITTO. It further informed the Committee that the termination of the pre-project will be delayed until October 2001 in order to finalize the Conference Proceedings with FAO and CIFOR. The Committee took note of this information.

(B) Pre-Projects awaiting implementation agreement

None.

(C) Pre-Projects coming under the sunset provisions since the last Session

1) PPD 4/99 Rev.2 (F) Pre-Project for the Protection and Sustainable Use of Forest Resources in the Special Management Area of Darien (Colombia)

8.3 Approved Projects and Pre-Projects Pending Finance

The Committee noted the list of approved projects and pre-projects awaiting financing and urged the donor community to provide the funds necessary for the implementation of the projects and pre-projects.

(A) Projects Pending Finance

- 1) * PD 52/98 Rev.3 (F) Establishing a Network of Permanent Sampling Plots for Monitoring the Dynamics of Reforestation in Côte d'Ivoire (Pending Finance) (Côte d'Ivoire)
- 2) * PD 56/98 Rev.2 (F) Criteria and Indicators for the Sustainable Development of Venezuelan Forests (Pending Finance) (Venezuela)
- 3) PD 17/99 Rev.3 (F) National Forest Inventory and Forest Resources Monitoring Program in Bolivia (INFOBOL-2001) (Pending Finance) (Bolivia)
- 4) * PD 42/99 Rev.1 (F) Support for Forestry Research, Monitoring of the Timber Industry and Training of Forest Managers in the Central African Republic (Pending Finance) (Central African Republic)
- 5) * PD 47/99 Rev.2 (F) Restoration of High-Value Timber Supply in the Colombian Pacific Region through Environmentally Sustainable Community Systems in Cabo Corrientes, Choco Bio-Geographical Region, Colombia (Pending Finance) (Colombia)
- 6) PD 49/99 Rev.2 (F) Pilot Plan for the Sustainable Management of 10,000 Hectares of Secondary Forest in San Lorenzo, Esmeraldas (Pending Finance) (Ecuador)
- 7) * PD 63/99 Rev.2 (F) Integrated and Participatory Management of Ottotomo Forest Reserve (Pending Finance) (Cameroon)
- 8) PD 17/00 Rev.2 (F) Conservation and Development in the Natural Protected Areas System of Tambopata (Peru) – Madidi (Bolivia) (Pending Finance) (Peru & Bolivia)

The Committee noted that the Executing Agency had revised the project document and resubmitted it to the Secretariat as PD 17/00 Rev. 3 (F), incorporating the recommendations made by the Committee as stated in the Addendum CRF (XXVII)/14. The Committee approved Rev. 3 with a budget amounting to US\$ 1,253,783.

- 9) PD 50/00 Rev.1 (F) Forest Inventory for the Conservation and Sustainable Management of Mahogany – *Swietenia macrophylla* King – in the Brazilian Amazon Region – Phases I, II, III (Pending Finance) (Brazil)

* To be sunset before the Thirty-first Session of the Council if full financing not secured before June 2001.

(B) Pre-Projects Pending Finance

- 1) PPD 3/99 Rev.3 (F) Enhancing Community Participation in the Philippine Community-Based Forestry Program (Pending Finance) (Philippines)
- 2) PPD 2/00 Rev.1 (F) Evaluation of the Reforestation Potential for Industrial Timber Production from High Value Tropical Species in the Amakpave and Lili Reserved Forests of Togo (Pending Finance) (Togo)
- 3) PPD 12/00 Rev.1 (F) Development of a National Strategy and Master Plan in the Field of Forestry Research and Development with a View to Contributing to the Improvement of Industrial Timber Production in Togo (Pending Finance) (Togo)

Item 9 - Consideration of Project and Pre-Project Proposals

The Categories of Recommendations on Project and Pre-Projects from the Committee to the Council as accepted by the Committee at its Twentieth Session are listed by Appendix I, Table B.

The Secretariat clarified that these categories are considered as templates and that the Committee may decide to adopt a different wording in individual cases. With this in mind, the Committee continued to review the project and pre-project proposals.

The Committee recalled its recommendation to the Council during its Eleventh Session in Yokohama in November 1992, requesting the Secretariat not to forward any revisions of proposals requiring complete reformulation until these revisions had again been technically evaluated by the Expert Panel. In compliance with this, nine project proposals were considered by the Committee; similarly five pre-project proposal were considered.

• PROJECTS ASSESSED BY THE COMMITTEE

Project No.	Title
PD 12/99 Rev.3 (F)	Model Forest Management Area (MFMA) – Phase III (Malaysia)
PD 14/00 Rev.3 (F)	Integrated Plan for the Consolidation of the Bagre Highlands Biological Corridor, Province of Darien (Panama)
PD 28/00 Rev.2 (F)	Integrated Management of Community Forests in the Valley of Mefou and Afamba (Central Province of Cameroon) (Cameroon)
PD 41/00 Rev.2 (F,M)	Model Development to Establish Commercial Plantation of Dipterocarps (Indonesia)
PD 44/00 Rev.2 (F)	The Implementation of a Community-based Transboundary Management Plan for the Betung Kerihun National Park, West Kalimantan, Indonesia, Phase II (Indonesia)
PD 60/01 Rev.1 (F)	Sustainable Management and Rehabilitation of Mangrove Forests by Local Communities on the Caribbean Coast of Colombia (Colombia)
PD 66/01 Rev.1 (F)	Establishment of the Mengamé-Minkébé Transboundary Gorilla Sanctuary (MMGS) at the Cameroon-Gabon Border (Cameroon)
PD 67/01 Rev.1 (F)	Dissemination of Forest Development and Research Results Obtained During the Implementation of the Technical Project for Forest Conservation – CEMARE (Panama)
PD 86/01 Rev.1 (F)	SAR Systems for Operational Forest Monitoring in Indonesia (Indonesia)

Details of the technical evaluation of these proposals are presented in Appendix 1 of this report. The Committee's recommendations regarding approval of these proposals are presented in Item 13 (A) below.

• **PRE-PROJECTS ASSESSED BY THE COMMITTEE**

Pre-Project No.	Title
PPD 11/00 Rev.2 (F)	Development of an Integrated Regional Forestry Master Plan for the Eco-Floristics Area IV in order to Develop Participatory Forest Management (Togo)
PPD 17/01 Rev.1 (F)	Action Plan on Sustainable Mangrove Management (Global)
PPD 18/01 (F)	Development of an Appropriate Substrate based on Local Material in the Semi-Industrial Nursery Site of Ngondji (Congo)
PPD 22/01 (F)	Tropical Forest Fire Monitoring and Management System based on Satellite Remote Sensing Data in China (China)
PPD 24/01 (F)	Development of National Criteria and Indicators for Sustainable Forest Management in the Congo based on the ITTO Criteria and Indicators (Congo)

Details of the technical evaluation of the proposal are presented in Appendix 1 of this report. The Committee's recommendations regarding approval of the proposal are presented in Item 13 (B) below.

Item 10 - Policy Work

In accordance with its policy work programme for year 2001, the Committee considered the following matters:

- (i) Continue with work related to the development of a comprehensive framework and practical working manuals on all relevant aspects of sustainable tropical forest management [ITTC Decision 6(XXVII) and document ITTC(XXVIII)/11]; and
- (ii) Review the results of the field testing and training workshops on: "The Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests" and review the Manual as appropriate [ITTC Decision 3(XXVI)]. The training on ITTO's Manual for the Field Application of Criteria and Indicators has been completed and the consultants' report contained in Council document ITTC(XXX)/5.

The Delegation of the Netherlands suggested that the Committee consider the recommendations of the consultants concerning a possible revision of the ITTO criteria and indicators based on the results of the training courses and raised the question on how to best incorporate these in the policy work of the Organization. The Committee took note of the observation and decided to forward it to the Chairpersons Bureau for consideration.

Item 11 - Dates and Venues of the Thirtieth and Thirty-first Sessions of the Committee

The Committee decided that the dates and venues of its Thirtieth and Thirty-first Sessions of the Committee will be determined in relation to the Council's decision on the dates and venues of its Sessions.

The Thirtieth Session of the Committee would be held in conjunction with the Thirty-second Session of the International Tropical Timber Council in Bali, Indonesia, in May and/or June 2002.

The Thirty-first Session of the Committee would be held in conjunction with the Thirty-third Session of the International Tropical Timber Council in Yokohama, Japan, in October and/or November 2002.

Item 12 - Other Business

(a) Project Idea

Sustainable Forest Management In The Core Zones Of The Colombian Massif

This idea was submitted by Special Administrative Unit of the National Natural Parks System, Ministry for the Environment, Government of the Republic of Colombia. The Committee took note of document CRF(XXVIII)/6 which described a project idea related to the development of sustainable forest management practices in the Colombian Massif.

(b) Presentations of Project and Pre-Project Results

A special presentation was made by the Cameroonian Delegation on the achievements of project PD 26/92 Rev. 2 (F,I) during the Committee Session:

Item 13 - Recommendations to the International Tropical Timber Council

(A) The Committee made the following recommendations regarding Projects:

1. The Committee recommended that the Council approve PD 12/99 Rev.4 (F) and allocate US\$ 966,700 for its implementation.
2. The Committee recommended that the Council approve PD 17/00 Rev.3 (F) and allocate US\$ 1,253,783 for its implementation.
3. The Committee recommended that the Council approve PD 28/00 Rev.2 (F) and allocate US\$ 563,265 for its implementation.
4. The Committee recommended that the Council approve PD 41/00 Rev.3 (F,M) and allocate US\$ 461,212 for its implementation.
5. The Committee recommended that the Council approve PD 44/00 Rev.3 (F) and allocate US\$ 764,954 for its implementation.
6. The Committee recommended that the Council approve PD 60/01 Rev.1 (F) and allocate US\$ 583,626 for its implementation.
7. The Committee recommended that the Council approve PD 66/01 Rev.1 (F) and allocate US\$ 770,751 for its implementation.
8. The Committee recommended that the Council approve PD 67/01 Rev.1 (F) and allocate US\$ 147,173 for its implementation.
9. The Committee recommended that the Council approve PD 86/01 Rev.1 (F) and allocate US\$ 273,414 for its implementation.

(B) The Committee made the following recommendations regarding Pre-Projects:

1. The Committee recommended that the Council approve PPD 11/00 Rev.2 (F) and allocate US\$ 72,668 for its implementation.
2. The Committee recommended that the Council approve PPD 17/01 Rev.1 (F) and allocate US\$ 181,485 for its implementation.
3. The Committee recommended that the Council approve PPD 22/01 (F) and allocate US\$ 49,100 for its implementation.
4. The Committee recommended that the Council approve PPD 24/01 (F) and allocate US\$ 39,510 for its implementation.

(C) The Committee made the following recommendations regarding Additional Fundings:

1. The Committee recommended that the Council approve the request for additional funding for PD 26/96 Rev. 4 (F) and allocate US\$ 90,591 to finalize the work of the project.

Item 14 - Report of the Session

The Committee accepted this Report for submission to the Council.

Appendix I

TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

1. PD 12/99 Rev.3 (F) Model Forest Management Area (MFMA) – Phase III (Malaysia)

Conclusion of the Twenty-eighth Committee

The Secretariat informed the Committee that the Project Proposal was requested to be reassessed by this Committee taking into consideration the observations made by Swiss and Japanese delegations during the Twenty-Seventh Session of the Committee. The Malaysian Delegation briefed the Committee about the modifications made in the project proposal as reflected in the Addendum document provided in the PD 12/99 Rev.4 (F). Therefore, the Committee approved PD 12/99 Rev.4 (F) and recommended the Council to allocate US\$ 966,700 for its immediate implementation.

2. PD 14/00 Rev.3 (F) Integrated Plan for the Consolidation of the Bagre Highlands Biological Corridor, Province of Darien (Panama)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal had addressed the Expert Panel's comments and recommendations. The Committee, however, requested the proposing agency to further describe in detail the activities required to achieve Outputs 1.3 and 1.4. The Committee recommended to the ITTC that the proposal be revised and resubmitted directly to the relevant Committee.

3. PD 28/00 Rev.2 (F) Integrated Management of Community Forests in the Mefou and Afamba Valley (Central Province Cameroon) (Cameroon)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved PD 28/00 Rev.2 (F) and recommended the Council to allocate US\$ 563,265 for its immediate implementation.

4. PD 41/00 Rev.2 (F,M) Model Development to Establish Commercial Plantation of Dipterocarps (Indonesia)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. The Japanese Delegation observed that the number of activities and outputs are inconsistent. The Committee approved PD 41/00 Rev.3 (F,M) and recommended the Council to allocate US\$ 461,212 for its immediate implementation.

5. PD 44/00 Rev.2 (F) The Implementation of a Community-based Transboundary Management Plan for the Betung Kerihun National Park, West Kalimantan, Indonesia, Phase II (Indonesia)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. The Japanese Delegation suggested that the costs for consumable items in the project proposal could be further reduced. The Committee approved PD 44/00 Rev.3 (F) and recommended the Council to allocate US\$ 764,955 for its immediate implementation.

6. PD 60/01 Rev.1 (F) Sustainable Management and Rehabilitation of Mangrove Forests by Local Communities on the Caribbean Coast of Colombia (Colombia)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project PD 60/01 Rev.1 (F) and recommended the Council to allocate US\$ 583,626 for its immediate implementation.

7. PD 66/01 Rev.1 (F) Establishment of the Mengamé-Minkébé Transboundary Gorilla Sanctuary (MMGS) at the Cameroon-Gabon Border (Cameroon)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Delegates from the USA, Japan and Switzerland stressed the importance of trans-boundary conservation areas and suggested that the development of an initiative from Gabon's side should be harmonized with the Cameroonian project in order to ensure its trans-frontier aspect. The Delegations from Cameroon and Gabon expressed their commitment to foster the cooperation and agreed that a proposal from Gabon will be developed soon. Therefore, the Committee approved the project PD 66/01 Rev.1 (F) and recommended the Council to allocate US\$ 770,751 for its immediate implementation.

8. PD 67/01 Rev.1 (F) Dissemination of Forest Development and Research Results Obtained During the Implementation of the Technical Project for Forest Conservation – CEMARE (Panama)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project PD 67/01 Rev.1 (F) and recommended the Council to allocate US\$ 147,173 for its immediate implementation.

9. PD 86/01 Rev.1 (F) SAR Systems for Operational Forest Monitoring in Indonesia (Indonesia)

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project PD 86/01 Rev.1 (F) and recommended the Council to allocate US\$ 273,414 for its immediate implementation.

TECHNICAL ASSESSMENT OF PRE-PROJECT PROPOSALS

1. **PPD 11/00 Rev.2 (F) Development of an Integrated Regional Forestry Master Plan for the Eco-Floristics Area IV in order to Develop Participatory Forest Management (Togo)**

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 11/00 Rev.2 (F) and recommended the Council to allocate US\$ 72,668 for its immediate implementation.

2. **PPD 17/01 Rev.1 (F) Action Plan on Sustainable Mangrove Management (Global)**

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 17/01 Rev.1 (F) and recommended the Council to allocate US\$ 181,485 for its immediate implementation.

3. **PPD 18/01 (F) Development of an Appropriate Substrate based on Local Material in the Semi-Industrial Nursery Site of Ngondji (Congo)**

Conclusion of the Twenty-eighth Committee

Since the Government of Congo has not submitted a revised pre-project proposal taking into consideration the recommendations made by the 21st Expert Panel, the Committee will not recommend this pre-project to Council for funding at this time. The Congolese Delegation informed the Committee, that it will submit a revised pre-project proposal for consideration during the next Council session.

4. **PPD 22/01 (F) Tropical Forest Fire Monitoring and Management System based on Satellite Remote Sensing Data in China (China)**

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 22/01 (F) and recommended the Council to allocate US\$ 49,100 for its immediate implementation.

5. **PPD 24/01 (F) Development of National Criteria and Indicators for Sustainable Forest Management in the Congo based on the ITTO Criteria and Indicators (Congo)**

Conclusion of the Twenty-eighth Committee

The Committee noted that the revised pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 24/01 (F) and recommended the Council to allocate US\$ 39,510 for its immediate implementation.

TABLE A
TECHNICAL EVALUATION OF PROJECT AND PRE-PROJECT PROPOSALS
IN THE FIELD OF REFORESTATION AND FOREST MANAGEMENT
CONSIDERED DURING THE TWENTY-EIGHTH SESSION OF THE COMMITTEE

PROJECT DOCUMENT	BUDGET ITTO CONTRIBUTION (US\$)	GEOGRAPHICAL COVERAGE	DURATION (Months)	RECOMMENDATION*	
				21 st EP	28th CRF
PD 12/99 Rev.3 (F)	966,700	Malaysia	36	2a**	1
PD 14/00 Rev.3 (F)	685,223	Panama	36	5	2a
PD 28/00 Rev.2 (F)	563,265	Cameroon	36	5, Amalgamation w/ PD 78/01 (F)	1
PD 41/00 Rev.2 (F,M)	461,212	Indonesia	36	1	1
PD 44/00 Rev.2 (F)	764,954	Indonesia	36	1+BPF	1
PD 60/01 Rev.1 (F)	583,626	Colombia	24	1+BPF	1
PD 66/01 Rev.1 (F)	770,751	Cameroon	24	1	1
PD 67/01 Rev.1 (F)	147,173	Panama	12	5	1
PD 86/01 Rev.1 (F)	273,414	Indonesia	36	1	1
PPD 11/00 Rev.2 (F)	72,668	Togo	9	1	1
PPD 17/01 Rev.1 (F)	181,485	Global	18	1	1
PPD 18/01 (F)	91,426	Congo	6	5	2a
PPD 22/01 (F)	49,100	China	9	4a	1
PPD 24/01 (F)	39,510	Congo	4	4a	1

* For Categories of Recommendation see Table B.

** Recommendation by the 27th CRF Committee as "2. Recommend to the ITTC that the proposal be revised and resubmitted: a) directly to the relevant Committee"

TABLE B

Categories of Decision for 21st Expert Panel	Categories of Recommendation from 28th CRF to the Council
<ol style="list-style-type: none"> 1. The Panel concluded that, with the incorporation of (any minor) (the) amendments noted, the (pre-) project proposal could be commended to the Committee for final appraisal. (In the view of the Panel, this (pre-) project proposal is eligible for consideration for financing from the Bali Partnership Fund in accordance with Decision 8(XXV).) 2. The Panel concluded that the (pre-) project proposal requires essential modifications (which are necessary for the project to succeed) and the Panel will need to assess the modified (pre-) project proposal before it can commend it to the Committee for final appraisal. 3. The Panel concluded that a re-formulation of the (pre-) project proposal is essential and the Panel will need to assess the re-formulated proposal before it can commend it to the Committee for appraisal. 4. The Panel concluded that a pre-project (not exceeding US\$) is necessary in order to assess the situation and the viability of the proposed work and the possible formulation of a project proposal. <ol style="list-style-type: none"> a: (Such a pre-project proposal could be commended to the Committee for final appraisal.) b: (The Panel will need to assess the pre-project proposal before it can commend it to the Committee for appraisal.) 5. The Panel concluded that it could not commend the modified or revised (pre-) project proposal and submits it to the Committee for further appraisal. 6. The Panel concluded that the (pre-) project proposal (, in its present form,) is not sufficiently relevant to the mandate of ITTO. (The Panel encourages the submitting agency to seek other sources of project support.) 7. The Panel concluded that there is insufficient information to assess the (pre-) project proposal adequately. <p>(Text in Parentheses is optional.)</p>	<ol style="list-style-type: none"> 1. Recommend to the ITTC to approve the (amended) proposal for implementation by ITTO and recommend it for immediate financing. 2. Recommend to the ITTC that the proposal be revised and resubmitted: <ol style="list-style-type: none"> a) directly to the relevant Committee, or b) to the Expert Panel. 3. Recommend to the ITTC to approve the proposal for ITTO sponsorship for funding through other relevant financial institutions, in accordance with Article 20, (6) and (7), and Article 28, of the ITTA, 1994. 4. Recommend to the ITTC that a decision on the proposal be deferred until the next session. 5. Recommend to the ITTC that the proposal should not be further considered by ITTO.

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Yaoundé, Cameroon

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

TWENTY-EIGHTH SESSION OF THE COMMITTEE ON FOREST INDUSTRY

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Report

Appendix I
Appendix II

Technical Evaluation of Project Proposals
PPD 25/01 (I,M)

REPORT

1. Introduction

The Twenty-eighth Session was opened on 28 May 2001 by Dr. Abdul Rashid Hj. Ab. Malik (Malaysia), the Chairperson of the Committee. The List of Participants is reproduced in Document [ITTC(XXX)/Info.2 Rev.1].

2. Adoption of Agenda and Organization of Work

At its first meeting on 28 May 2001, the Committee adopted the agenda of its Twenty-eighth Session as contained in Document CFI(XXVIII)/1.

3. Admission of Observers

The list of Observers admitted by the Committee is contained in Document [ITTC(XXX)/Info.3 Rev.1].

4. Report of the Meeting of the Expert Panel for Technical Appraisal of Project Proposals (Joint Session of the Committees)

Dr. Abdul Rahman Bin Abdul Rahim (Malaysia), Chairman of the Expert Panel, presented its report as contained in document CEM, CRF, CFI(XXVIII)/1. Highlights of the general points of the report as presented included the following:

- (xv) Member Countries should maintain the Organization's spirit of co-operation and submit high quality proposals to the ITTO Committees.
- (xvi) Member Countries should formulate proposals according to the agreed standard format when seeking project assistance from ITTO.
- (xvii) Revision of the Manual for Project Formulation.
- (xviii) Project Proposals should be endorsed by the National Focal Point before submission to the ITTO Secretariat.
- (xix) Project Proposals should be tailored to the national priorities of the Project Formulator.
- (xx) General areas of weakness in proposals submitted:
 - Logical Frameworks were poorly conceptualized and constructed.
 - Development Objective was often confusing and difficult to understand.
 - Activities were not sufficiently detailed to explicitly indicate what would be done.
 - Assumptions were not linked to risk.
 - Unit cost information was often too brief.
 - Local cost contributions were not clearly addressed.
 - There was no indication of project sustainability after completion.
 - Background information (when necessary) was often not clearly provided.
 - Economic, social and environmental aspects were insufficiently addressed.
 - Technical and scientific aspects were inadequately addressed.
 - Compliance with the ITTO Action Plan was not clearly presented.
- (xxi) Some of the categories of Decision required modification.

On the Expert Panel's recommendation for the Secretariat to undertake an evaluation of the Training Workshops on Project Formulation, the Committees were informed by the Secretariat that action in this regard had been taken by the Committee on Forest Industry at its previous Session during its review of the implementation of project PD 73/89 (M.F.I) "Assistance for Project Identification and Formulation". The Secretariat further informed the Committee that the evaluation of the Training Workshops on Project Formulation would be conducted by an independent consultant in the second half of this year.

5. 2001 Market Discussion (Joint Session of the Committees)

The Committee noted the report of the ITTO 2001 Market Discussion as contained in Appendix A. The theme of the Market Discussion was "Regulations for a Sustainable Timber Trade - Relevant Issues". The moderator was Mr. Barney Chan (Sarawak Timber Association) and the Rapporteur was Mr. Graham Bruford (Timber Trade Federation, U.K.). The following presentations were made during the Market Discussion:

Dr. Alastair Fraser, LTS International Ltd., U.K.	"The Medium-term Outlook for the Tropical Timber Market"
Mr. James Bolton, U.S.A.	"Competitiveness of Tropical Timber vis-à-vis Timber and Non-timber Substitutes"
Carlos Roxo, Aracruz Celulos S.A., Brazil and Graham Bruford, Timber Trade Federation, U.K.	"Creating an International Mutual Recognition Framework for Forest Certification Systems"
Robert Atangana, Cameroon	"The Impact of Government Policy on Timber Exports from Cameroon"
Mr. Kenneth MacDicken, CIFOR, Indonesia	"Making Sustainable Forest Management Work in Africa: Beating the Odds"
Mr. Jean-Jacques Landrot, ATIBT, France	"Regulations for a Sustainable Timber Trade – The African Perspective"
Mr. Ivan Tomaselli, STCP Engenharis de Projectos, Brazil	"Regulations for a Sustainable Timber Trade – The Latin American Perspectives"

The Committee also noted the statement of the trade as contained in Appendix B that was presented to the Council at its current Session.

6. Report on Completed Projects and Pre-Projects

The Committee took note of the work completed under the following projects and pre-projects as included in CFI(XXVIII)/3:

COMPLETED PROJECTS

PD109/90 Rev.4 (F,I)	Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire (Côte d'Ivoire)
PD 15/97 Rev.2 (I)	Strategic Plan for the Upgrading of the Industrial Forestry Infrastructure of Panama (Panama)
PD 40/99 Rev.2 (I)	Fourth Plywood and Tropical Timber International Congress (Brazil)

COMPLETED PRE-PROJECTS

PPD 1/98 Rev.2 (I)	Rubberwood Utilization and Marketing in Thailand (Thailand)
PPD 18/99 Rev.2 (I)	Utilization of Tropical Plantation Timber in the Southern Part of China (China)
PPD 25/99 (I)	Review of the Status of Further Processing of Tropical Timber in Producing Countries (Global)

The Government of Côte d'Ivoire reported on work carried out under PD 109/90 Rev.4 (I). Project activities included an inventory of more than 1 million hectares which have the greatest concentration of wood processing industries and provided an estimation of the resources available for the wood industry.

/...

Technical reports analyzed the possibilities of linking wood industry development to sustainable wood supply from selected management units. Recommendations included actions that could improve the supply for the forest industry sector; these could be implemented with a view to promoting the export of lesser-known species once the technical aspects of these species have been studied.

The Government of Japan requested additional information regarding the annual allowable harvest in Côte d'Ivoire. In response, the delegate of Côte d'Ivoire explained that since 1996 wood industry reforms in Côte d'Ivoire have demonstrated significant changes in the approach to harvesting limits, and now rely on sustainable forest management based on an in-depth assessment and inventory of each concession that include a 25-hectare zone around each harvest area.

The Committee was satisfied with the project results and recommended that the project be considered as complete.

On PD 15/97 Rev.2 (I), and responding to the query of the delegate of the U.S.A. about the extended duration of the project (33 months) as opposed to the original planning (8 months), the Secretariat explained that this situation was due to the difficulty of identifying suitable consultants for the project and delays encountered in revising and finalizing the strategic plan, which was the main output of this project, to standards acceptable to ITTO. The delegate of Panama informed the Committee that the strategic plan that has been developed is a good achievement that will contribute to the development and modernization of the forest industry in Panama.

On PD 40/99 Rev.2 (I) the Committee noted that the Fourth Plywood Conference was held on 26-29 October 1999 in Belem, Brazil and was successful in terms of organization participation, member and quality of papers presented and distributed and lessons learnt. The Committee was also delighted to note that this activity is now being pursued on a sustainable basis, without the financial contribution of ITTO. The Secretariat informed members that about 1000 compact discs containing the Congress proceedings have been produced and copies can be obtained from the Secretariat.

In its review of the completed work of PPD 1/98 Rev.2 (I) Rubberwood Utilization and Marketing in Thailand, the Committee noted that this pre-project allowed the preparation of a report reviewing rubberwood resources and utilization, and rubberwood products markets. It also includes proceedings from the Rayong workshop, and recommendations for future work such as (i) a comprehensive assessment of current and long-term rubberwood resources for industrial uses, (ii) increasing the monetary returns per cubic meter of sawn wood, (iii) training in production planning and control and surface finishing for the smaller and medium size furniture plants and (iv) improved knowledge of export marketing techniques and of market potential. The Committee noted that, based on the results of the pre-project, Thailand had submitted a revised project proposal [PD 51/00 Rev.2 (I,M)] to be considered in this Session. The Committee urged members to consider this proposal in light of the information and recommendations contained in the pre-project report.

The Committee noted that PPD 18/99 Rev.2 (I) Utilization of Tropical Plantation Timber in the Southern Part of China was successfully implemented by the Research Institute of Wood Industry (CRIWI), Chinese Academy of Forestry, in cooperation with the forestry departments of Guangxi, Guangdong and Hainan Provinces. The Committee also noted that the pre-project published a technical report entitled "Situation of the Resources and Wood Utilization of Tropical Plantations in the Southern part of China" based on three main activities such as a field survey, a study tour to Australia in conjunction with attending the IUFRO Conference "Future of Eucalyptus for Wood Products", and a national workshop. The Committee further noted that the pre-project allowed the formulation of a project proposal for the efficient utilization of tropical plantation timber in south China [PD 69/01 Rev.1 (I)] to be reviewed at this Committee session. The Committee urged members to consider this proposal taking into account the recommendations made by the pre-project.

The review of the work carried out by PPD 25/99 (I) Review of the Status of Further Processing of Tropical Timber in Producing Countries was undertaken at both a joint session of the CFI and the CEM and sessions of the CFI. During its review of the final report prepared by this pre-project, the delegate from Gabon explained that the publication of the final report in French and Spanish would be useful to French and Spanish-speaking member countries. The Committee decided to recommend to the Council the publication of French and Spanish versions of the final report, with an additional allocation of funds amounting to US\$ 44,532.00.

The Committee also considered the Terms of Reference and budget to conduct a review of international wooden furniture markets in accordance with the recommendations of the joint session of

the CFI and the CEM. Noting that there is an urgent need to conduct an in-depth study on wooden furniture products and markets where tropical timber producing countries are likely to be competitive, the Committee decided to recommend to Council the implementation of a pre-project [PPD 25/01 (I,M) Review of International Wooden Furniture Markets]. The Terms of Reference and budget for the pre-project are contained in Appendix II.

7. Ex-Post Evaluation

A. Ex-Post Evaluation Missions

The Committee reviewed the ex-post evaluation report on project PD 107/90 (I) "Strategies for Sustainable Wood Industries in Sarawak (Malaysia)", which was presented by Dr. Thomas R. Weggener. During the presentation of the ex-post evaluation report, the consultant highlighted the following: (i) the project document was brief and fairly general and provided only a basic understanding of the project goals, (ii) the overall effectiveness of the project was reduced in terms of achieving a timely and comprehensive sector plan due to delays in completion of all activities, including the added consultancy on secondary forest products markets and the completion of the project workshop, and (iii) the project had limited direct impact on the process of policy formulation, although there has been a substantial indirect catalytic impact on the ongoing activities of the Sarawak Forest Department.

Based on the lessons learned from the ex-post evaluation, Dr. Waggener further made recommendations for future ITTO projects related to sector policy for sustainable forest management (SFM) and the need to link it closely with sustainable industrial development. Recommendations include (i) participatory process of project formulation with key stakeholders and a detailed work plan specifying activities, (ii) engagement of a relatively senior and experienced staff as a full time project director and centralized placement of policy projects for maximum impact, (iii) a firm schedule of monitoring and evaluation activities, (iv) an independent mid-term evaluation for projects with an expected duration of 18 months or longer, (v) written TORs and expectations for consultants and counterpart staff, and (vi) active external discussions throughout project implementation and wide dissemination of project results.

With regard to the long delays in project implementation and completion of all activities, including the added consultancy on secondary forest product markets, the Committee noted that these delays could be avoided by better project formulation and better management of the project. The Committee also noted the importance of a full-time project leader required for project implementation. The Committee expressed its satisfaction with the work carried out under the ex-post evaluation and commended the consultant for his presentation. The Committee further instructed the Secretariat to widely disseminate the ex-post evaluation report to interested parties, including the members of the Expert Panel for Technical Appraisal of Project Proposals, and to include it on the ITTO website.

The ex-post evaluation report, as contained Document CFI(XXVIII)/8, on the following group of projects completed in the People's Republic of China was presented to a joint session with the CEM by one of the consultants (Mr. Floriano Pastore):

- PD 20/95 Rev.2 (I) Chemical Modification of Bamboo Culms and Their Resistance to Weathering
- PD 21/95 Rev.2 (I) Comprehensive Studies of the Structure and Properties of Rattans for Effective Utilization
- PD 24/95 Rev.1 (I) The Identification, Properties and Uses of the Tropical Timber Imported to China from Latin America
- PD 3/96 Rev.2 (I) Development and Extension of Rubberwood Processing and Utilization Technology
- PD 25/96 Rev.2 (M) China's Consumption of Forest Products and its Demand for Them for the International Markets by the Year 2001

The consultant introduced the Committees to the main results of the evaluation with regard to the efficiency and operational aspects, effectiveness and impacts and effects of the above five projects. He further highlighted the following points: (i) all the projects received due attention by the institutions involved, which worked hard for the advisement of the outputs, (ii) the State companies, in the process of privatization, are efficient partners for technology development and the Institutes made good use of this condition, achieving their targets, and (iii) China is undergoing an extensive economic transformation, with major implications for all sectors, including the forestry sector, and a great increase in forest products demand. The recommendations for ITTO include (i) development of a closer relationship with the International Network for Bamboo and Rattan (INBAR) to define a simple and common joint program

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on the development of two special non-wood forest products, bamboo and rattan, and (ii) the formation of a project design benchmark with the objective of checking the project design and the adequacy between strategy and institution conditions, from the proposal.

The Committee expressed its satisfaction with the work carried out under this ex-post evaluation and instructed the Secretariat to make the report available to interested parties, including the ITTO website.

B. Selection of Projects for Ex-Post Evaluation

The Committee considered the list of 3 completed projects as contained in Document CFI(XXVIII)/3 for selection of projects for ex-post evaluation. Noting that lessons to be learned from PD 109/90 Rev.4 (F,I) Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire (Côte d'Ivoire) would be useful to project formulation and implementation in the field of the development of sustainable wood-based industries, the Committee decided to select this project for ex-post evaluation.

8. Review of Project and Pre-Project Work in Progress

The Committee took note of progress on the implementation of the following project and pre-project studies:

PROJECTS

A. Projects under implementation:

PD 73/89 (M,F,I)	Assistance for Project Identification and Formulation (Global)
PD 94/90 Rev.3 (I)	Integration of Forest-Based Development in the Western Amazon - Phase II –Technology for Sustainable Utilization of Raw Forest Materials (Brazil)
PD 209/91 Rev.2 (I)	Study of Zairian Timber with a View to Promoting Certain Species (Democratic Republic of Congo)
PD 39/93 Rev.4 (I)	Project for the Development, Application and Evaluation of Biomass Energy Technologies through Briquetting, Gasification and Direct Combustion of (Wood and Agricultural) Wastes (Malaysia and Cameroon)
PD 7/94 Rev.3 (M,I)	Information and Technical Assistance for Production and Trade of Tropical Timber (Brazil)
PD 37/94 Rev.3 (I)	Strengthening of the Forest Products Laboratory of IBAMA (Brazil)
PD 47/94 Rev.3 (I)	Industrial Utilization of Lesser-Known Forest Species in Sustainably Managed Forests (Honduras)
PD 13/95 Rev.3 (I)	Capacity Building in Training in Planning and Management of Forest Industries in ITTO Producer Member Countries (Phase II) (Finland)
PD 15/96 Rev.2 (M,I)	Utilization, Collection and Trade of Tropical Non-Wood Forest Products in the Philippines (Philippines)
PD 31/96 Rev.2 (M,F,I)	Introducing Myanmar's Lesser-Known Timber Species to the World Market (Myanmar)
PD 46/96 Rev.2 (I)	Establishment of a Wood Workers and Craftsmanship Village (Ghana)
PD 58/97 Rev.1 (I)	The Establishment of the Database of Tropical Industrial Lesser-Used Wood Species (Japan)

PD 12/98 Rev.2 (I)	Technical Manpower Development for the Ghana Wood Industry Training Center (WITC) (Ghana)
PD 44/98 Rev.2 (I)	Handbook on Tree and Wood Identification of 100 Lesser-Used and Lesser-Known Timber Species from Tropical Africa with Notes on Ethnography, Silviculture and Uses (Ghana)
PD 13/99 Rev.2 (M,F,I)	ITTO Information Network and Project Support (Global) (Phase I and Phase II)
PD 31/99 Rev.3 (I)	Non-timber Production and Sustainable Development in the Amazon (Brazil)
PD 34/99 Rev.2 (I)	Development and Implementation of Stress Grading Rules for Tropical Timber in the Philippines (Philippines)
PD 52/99 Rev.2 (I)	Development and Extension of Preservation Technology of Tropical Plantation Timber (China)
PD 56/99 Rev.1 (I)	Promotion of the Utilization of Bamboo from Sustainable Sources in Thailand (Thailand)
PD 58/99 Rev.1 (I)	Introduction of a Village Industry in the Community Around an Industrial Forest Plantation in Indonesia (Indonesia)
PD 10/00 Rev.2 (F,I)	Sustainable Management and Utilization of Sympodial Bamboos in South China (China)
PD 20/00 Rev.1 (I)	Training Workshop on Further Processing of Tropical Timber in the Asia-Pacific Region (Korea)

B. Projects awaiting implementation agreement:

PD 46/97 Rev.3 (I)	Community Forest Products Processing in the Puerto Dias Extractive Reserve (Brazil)
PD 36/99 Rev.4 (I)	Processing and Utilization of Almaciga (<i>Agathisphilippinensis</i> Warb.) Resin as Source of Industrial Chemicals (Philippines)
PD 24/00 Rev.1 (I)	Promotion of Sustainable Utilization of Rattan from Plantation in Thailand (Thailand)

C. Projects awaiting financing:

PD 35/99 Rev.4 (I)	Performance Evaluation of Export Wood Furniture in Relation to Strength and End-Use Applications Using Established Test Standard (Philippines)
PD 46/99 Rev.3 (I)	Pre-Feasibility Study for the Industrial Utilization of Rubberwood (<i>Hevea brasiliensis</i>) Including the Formulation of a Pilot Case Study for Implementation in a Specific Area of Colombia (Colombia)
PD 61/99 Rev.2 (I)	Increasing the Efficiency in the Tropical Timber Conversion and Utilization of Residues from Sustainable Sources (Brazil)
PD 40/00 Rev.2 (I)	Utilization of Small-Diameter Logs from Sustainable Sources for Bio-Composite Industry (Indonesia)

D. Projects falling under sunset provisions

PD 41/98 Rev.2 (I)	National Seminar Workshop on the Promotion of Plantation Timber Utilization (Philippines)
PD 46/98 Rev.3 (I)	Development of the Indian Rubberwood Industry (Phase I) (India)
PD 14/99 Rev.2 (I)	General Nomenclature of Tropical Timber (France)

PRE-PROJECT WORK IN PROGRESS

A. Pre-projects under implementation:

PPD 50/91 (I)	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" (Democratic Republic of Congo)
PPD 13/98 Rev.2 (I)	Assessment of Forest Industry Training Needs (Fiji)
PPD 15/98 Rev.2 (I)	Joint ATO/ITTO Conference on Further Processing of African Tropical Timber (Gabon)
PPD 1/99 Rev.2 (I)	Human Resources Development for the Improvement of Forest Industry in Cambodia (Cambodia)
PPD 6/99 Rev.3 (M,F,I)	Promotion of Non-Timber Forest Products in Terai Region of Nepal (Nepal)
PPD 11/99 Rev.1 (I)	Development of the Rubberwood Industry in Côte d'Ivoire – Phase I (Côte d'Ivoire)
PPD 24/99 (I)	Increasing Utilization Efficiency and the Reduction of Losses and Waste Throughout the Production Chain (Global)

B. Pre-projects awaiting implementation agreement:

PPD 1/00 Rev.1 (I)	Improvement of Sustainable Management and Utilization of Tropical Non-Timber Forest Products (NTFPs) in Cambodia (Cambodia)
PPD 6/00 Rev.1 (I)	Formulation of a Project Proposal to Support the Sustainable Development of Small Forest Industrialist (Peru)

C. Pre-projects awaiting financing:

PPD 14/98 Rev.2 (I)	Development of Forest Industries in Congo (Congo)
PPD 15/99 Rev.2 (I)	Pre-Project for the Ecuadorian Tropical Timber Industry Environmental Management (Ecuador)
PPD 17/99 Rev.1 (I)	Efficient Utilization of Bamboo in India (India)
PPD 20/99 Rev.2 (I)	Study on Utilization of Plantation Teak (Myanmar)
PPD 5/00 Rev.1 (I)	Sustainable Management of Non-timber Forest Produce (NTFP) in Maharashtra State of India (India)
PPD 7/00 (I)	Feasibility Study for the Production of Sawnwood from Tropical Forest Using Appropriate Technologies (Ecuador)

D. Pre-projects falling under sunset provisions

PPD 10/99 Rev.1 (I) Utilization of Small Logs from Forest Plantation in Thailand (Thailand)

The Committee had detailed discussions on the implementation of project PD 39/93 Rev.4 (I) and noted several problems and irregular activities which had slowed project implementation. The Executing Agency, the Forest Research Institute of Malaysia (FRIM), reported that work on gasification and direct combustion were well advanced, but the economic downturn had affected the ability of possible collaborators to contribute to the project. For the Cameroon collaborating agency (IRGM), it was recalled that the Steering Committee at its last meeting had prioritized work to be carried out exclusively on briquetting, rather than pursue the initial project objectives of examining three separate technologies. The representative of FRIM also noted that during the past twelve months, a Malaysian technical team had visited Cameroon on two occasions to attempt work with the local collaborating industry (TIB Industries of Yaounde, Cameroon) on the installation and commissioning of the briquetting equipment. The IRGM provided additional background information on the project and reported that research results had been published in several journals and that sensibility workshops and training had been conducted on biomass at several different venues in Cameroon. The representative of the collaborating agency also discussed certain financial irregularities noted in the auditor's report, which were due to a particular temporary situation within the institute and that the Ministry of Scientific and Technical Research had authorized reimbursement to the project account. The representative of the Common Fund for Commodities (CFC) replied to a question about continued financial support to the project and stated that the project remained very important to the Fund and wished to continue its support. However, the CFC stated its deep concern about the financial problems and logistical difficulties reported to the Committee. The Fund also called on ITTO, as the Supervisory Body, to continue its close monitoring of the actions to solve the problems and difficulties as recommended by the Committee.

While reviewing the implementation of project PD 37/94 Rev.3 (I), the Secretariat informed the Committee that project activities were being implemented as planned. However, slight delays have been experienced in some activities, and the executing agency was requesting an extension of the project for one year at no extra cost. The Committee also acknowledged the declaration made by the delegate of Brazil informing that the yearly audit of project funds had been completed and the report would be dispatched to ITTO in the very near future.

In the review of project PD 94/90 Rev.3 (I), the Secretariat informed the Committee that the financial report submitted by the executing agency to ITTO revealed that funds disbursed to the project had been mismanaged. This includes important over-expenditures and use of project funds for non-approved activities. The Secretariat also highlighted the fact that the overall progress in project implementation has been very slow. Supporting the information provided by the Secretariat, the representative of Switzerland highlighted that this project was originally planned for 3 years, but it was in its eighth year of implementation. Obviously, there are problems in project implementation. The Brazilian delegate, after consultation with the delegate of Switzerland, requested that a mid-term evaluation of the project, which would include an assessment of the use of project funds and the identification of problems surrounding the implementation of the project, be conducted. The evaluation would provide guidance for the continuation of project implementation and identify strategies to achieve the sustainability of actions initiated by the project. The Committee supported the idea to carry out a mid-term evaluation of the project by an independent consultant and to provide funds amounting to US\$15,825 to implement this activity.

On PD 13/95 Rev.3 (I), the Secretariat informed the Committee that the Executing Agency (FTP) has lost contact with the participating national institution (TREES) in the Philippines and requested guidance from the Committee on how activities in the Philippines should be pursued. The delegate of the Philippines committed to closely work with the Secretariat and the Executing Agency in order to find a situation on this problem. Progress in this connection will be reported to the Committee at its next Session in November 2001.

The Committee considered progress of work carried out under PD 58/97 Rev.1 (I) "The Establishment of the Database of Tropical Industrial Lesser Used Wood Species". The objectives of the project address the creation of an ITTO database aimed at introducing Lesser Used Species (LUS) to the national and international markets. To further assist in the implementation, revision and broad dissemination of the LUS database and related software that has been developed under the project, the ITTO Secretariat is proposing that the project be extended for an additional six months (June 2001 to end of November 2001) in order to allow sufficient time to incorporate the activities and recommendations resulting from the Report of the Expert Panel Meeting held in Kuala Lumpur, Malaysia in February 2001.

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This proposed six-month extension would also allow for a series of consultative meetings to take place that would assist in identifying commercially available species that ITTO member countries are intending to promote. The database will be positioned as a means of increasing the commercialization of LUS tropical timber. The Committee decided to approve the six-month extension with an additional budget of US\$ 120,159.

On PD 12/98 Rev.2 (I), the Committee noted that the Executing Agency (WITC) has provided the Secretariat with a progress report during a Steering Committee meeting, which was held in May 2001 in Accra, Ghana.

The Secretariat informed the Committee that all funds pledged for project PD 36/99 Rev.4 (I) have now been received in the ITTO bank account, and that the implementation of the project will be initiated soon.

On pre-project PPD 15/98 Rev.2 (I), the delegate of Gabon informed the Committee on the status of the preparations of the ATO/ITTO International Conference on the Further Processing of African Timber that will be held in Libreville, Gabon on 26-28 September 2001. The draft of the position paper had been submitted by the international consultant after his visit to Japan, France and Switzerland, and is being considered by interested parties.

Noting that PPD 1/00 Rev.1 (I) is still awaiting the availability of the pre-project funds pledged by one donor country (France) at the XXVIIIth Session of ITTC (May 2000), the Committee urged that Government of France make the fund available as soon as possible so that the pre-project could commence.

9. Consideration of Project and Pre-Project Proposals

Five project and three pre-project proposals were submitted by Member governments in time for Committee consideration and appraisal:

PROJECTS

PD 51/00 Rev.2 (I, M)	Improvement of Rubberwood Utilization and Marketing in Thailand (Thailand)
PD 65/01 Rev.1 (I)	Training in Reduced Impact Logging in Cambodia (Cambodia)
PD 69/01 Rev.1 (I)	Improved and Diversified Use of Tropical Plantation Timbers in China to Supplement Diminishing Supplies from Natural Forests (China)
PD 77/01 Rev.2 (I)	Contribution to the Development of Skills and Technical Training Structures at the Mbalmayo National School of Forestry (Central Province - Cameroon)
PD 85/01 Rev.1 (I)	Strategies for the Development of Sustainable Wood-Based Industries in Indonesia (Indonesia)

PRE-PROJECTS

PPD 16/01 Rev.1 (I)	Timber Enhancement through Mechanical Processing (Congo)
PPD 19/01 Rev.1 (I)	Sustainable Management of Non-Timber Forest Products (NTFPs) in Congo's Forests under Sustainable Management (Congo)
PPD 21/01 Rev.1 (I)	Promotion of Secondary Species from Cameroon Forests (Cameroon)

The Committee considered in detail the results of the evaluation of earlier versions of these projects and pre-projects carried out by the Twenty-first Expert Panel for Technical Appraisal of Project Proposals, as contained in document CEM,CRF,CFI(XXVIII)/1. The final versions were thoroughly evaluated by the Committee. The detailed results of the Committee's evaluation and appraisal of these five project and three pre-project proposals are presented in Appendix I.

Two project ideas were considered by the Committee, one on "High-value Sawn Products from South-East Asian Planted *Eucalypt* Resource" jointly submitted by the Government of Thailand and Australia, and the other on "Development of a Small-Medium Timber Solar Dryer for Social and Productivity improvements of Thai Villagers" submitted by the Government of Thailand. Noting that the two subjects would facilitate the further processing of tropical timber, which is one of the prioritized actions set out in the ITTO Libreville Action Plan, the Committee encouraged the Thai Government to formulate and submit project proposals in accordance with the ITTO guidelines.

10. Policy Work

In an effort to both streamline the work and enhance debate of policy issues, a joint session of the CEM and CFI committees was held.

In the joint session the Committee considered the pre-project report [PPR 62/01] for PPD 24/99 (I) implemented by the ITTO Secretariat. The report is a critical assessment of the wood utilization efficiency and reduction of losses in lumber and plywood manufacturing plants in three tropical countries (Ghana, Malaysia and Brazil). The report includes a set of proposed draft guidelines (Annex 1) that addresses the problems of efficiencies in sawmilling and veneer and plywood production; technologies to reduce and use waste in the lumber industry; and practices, measures, and technologies which influence utilization in sawmilling and veneer and plywood manufacture. The report highlights the advanced technologies and practices in developed countries, many of which may not be as prevalent in the sawmills and veneer and plywood manufacturing plants located in developing countries. The government of Brazil noted the importance of the draft guidelines and that the focus of the guidelines should be to increase the competitiveness of tropical timber products and not to create market constraints. The delegate of the U.S.A. observed that, in general, guidelines related to wood utilization were extremely difficult to negotiate and that members need to be clear on the objectives of such guidelines. The Committee further requested that consideration of the guidelines be delayed until the Twenty-ninth session of the Committee.

While considering the work carried out by PPD 25/99 (I) Review of the Status of Further Processing of Tropical Timber in Producing Countries, Mr. Jukka Tissari from the International Trade Center presented the final report as contained in Document [PPR 61/01]. He highlighted the following points:

- i) OECD market imports-furniture and builders' joinery;
- ii) Changes in export structure of further processed products from the ITTO producer countries;
- iii) Changing raw material sources and promotion of lesser-used species;
- iv) Structure of the wood-based industries in Indonesia;
- v) Comparative labor productivity in Asian furniture industries;
- vi) Key factors for determining manufacturing strategies in further processing of wood products;
- vii) Major problems of SME wood processors;
- viii) Recommendations for ITTO at the international and national levels; and
- ix) Proposed priority projects for ITTO.

The Committees noted that there is a need for the development of wood processing enterprises in West Africa with support of financial resources, updated technology and market information. The Committees also noted that the report provided information on key factors for determining competitiveness in further processing of wood products, although the current status of tropical timber processing in producer countries varies. The Committees further noted the importance of access to appropriate technologies in further processing for small-to-medium manufacturers and introducing lesser-used species to markets.

As a follow-up to PPD 25/99 (I), the Committees considered the priority activities as recommended by the pre-project. It urged members to support (i) the organization of a regional conference on pertinent aspects of further processing in ITTO producer or consumer countries such as the ITTO/ATO conference on further processing for African tropical timber to be held on 26-28 September 2001, Libreville, Gabon, (ii) the preparation of a priority country project to develop further processing of tropical timber in Africa, and (iii) production of a series of market research reports on further processed wood products in the main consumer markets.

The Committees noted that in 1990 ITTO published "Wooden Household Furniture: A Study of Major Market" in collaboration with the International Trade Center, which provided comprehensive information on the main wooden household furniture markets. Considering that a review of international wooden furniture markets would be useful in analyzing products and markets where tropical timber producing countries are likely to be competitive, the Committees instructed the Secretariat to prepare Terms of Reference and budget for such work. These have been prepared and discussed at the CFI. The TORs and budget are included in Appendix II.

The Committees noted that this study provides an excellent analysis of tropical timber further processing in three producing regions and well-defined recommendations for ITTO and for member countries. The Committees expressed their satisfaction with the report prepared under this pre-project and commended the consultant for his presentation. The Committee further instructed the Secretariat to publish the report and widely disseminate it throughout member countries.

11. Dates and Venues of the Twenty-ninth, Thirtieth and Thirty-first Sessions of the Committee

The dates and venues of the twenty-ninth, thirtieth and thirty-first sessions of the Committee are in practice determined in relation to the dates and venues fixed by the Council for its thirty-first, thirty-second and thirty-third sessions.

12. Other Business

The representative of the U.S.A. requested the Secretariat to make available all Committee documents in PDF Adobe format on the ITTO web site in order to facilitate and promote a rapid and cost effective means of document distribution.

13. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations to the ITTC:

1. To approve for implementation of the following project and pre-project proposals:

PD 51/00 Rev.2 (I, M)	Improvement of Rubberwood Utilization and Marketing in Thailand (Thailand) [US\$406,138]
D 65/01 Rev.1 (I)	Training in Reduced Impact Logging in Cambodia (Cambodia) [US\$274,933]
PD 69/01 Rev.1 (I)	Improved and Diversified Use of Tropical Plantation Timbers in China to Supplement Diminishing Supplies from Natural Forests (China) [US\$588,815]
PD 77/01 Rev.2 (I)	Contribution to the Development of Skills and Technical Training Structures at the Mbalmayo National School of Forestry (Central Province - Cameroon) [US\$274,880]
PD 85/01 Rev.2 (I)	Strategies for the Development of Sustainable Wood-Based Industries in Indonesia (Indonesia) [US\$479,603]

PRE-PROJECTS

PPD 16/01 Rev.1 (I)	Timber Enhancement through Mechanical Processing (Congo) [US\$47,370]
PPD 19/01 Rev.1 (I)	Sustainable Management of Non-Timber Forest Products (NTFPs) in Congo's Forests under Sustainable Management (Congo) [US\$93,562]
PPD 21/01 Rev.2 (I)	Promotion of Secondary Species from Cameroon Forests (Cameroon) [US\$44,205]
PPD 25/01 (I,M)	Review of International Wooden Furniture Markets (Global) [US\$169,065]

2. To recommend to Council approval for additional funding of following projects and pre-projects:

PD 94/90 Rev.3 (I)	Integration of Forest-Based Development in the Western Amazon - Phase II –Technology for Sustainable Utilization of Raw Forest Materials (Brazil) [US\$15,825]
PD 58/97 Rev.1 (I)	The Establishment of the Database of Tropical Industrial Lesser-Used Wood Species (Japan) [US\$120,159]
PPD 25/99 (I)	Review of the Status of Further Processing of Tropical Timber in Producing Countries (Global) [US\$44,532]

3. To urge Member countries to contribute funds to finance forest industry pre-projects and projects approved by the Committee and Council in previous Sessions and still pending funding.

These are:

PD 35/99 Rev.4 (I)	Performance Evaluation of Export Wood Furniture in Relation to Strength and End-Use Applications Using Established Test Standard (Philippines) [US\$139,999]
PD 46/99 Rev.3 (I)	Pre-Feasibility Study for the Industrial Utilization of Rubberwood (<i>Hevea brasiliensis</i>) Including the Formulation of a Pilot Case Study for Implementation in a Specific Area of Colombia (Colombia) [US\$137,684]
PD 61/99 Rev.2 (I)	Increasing the Efficiency in the Tropical Timber Conversion and Utilization of Residues from Sustainable Sources (Brazil) [US\$315,694]
PD 40/00 Rev.2 (I)	Utilization of Small-Diameter Logs from Sustainable Sources for Bio-Composite Industry (Indonesia)[US\$477,433]
PPD 14/98 Rev.2 (I)	Development of Forest Industries in Congo (Congo)[US\$97,271]
PPD 15/99 Rev.2 (I)	Pre-Project for the Ecuadorian Tropical Timber Industry Environmental Management (Ecuador) [US\$71,740]
PPD 17/99 Rev.1 (I)	Efficient Utilization of Bamboo in India (India) [US\$39,985]
PPD 20/99 Rev.2 (I)	Study on Utilization of Plantation Teak (Myanmar) [US\$49,529]
PPD 5/00 Rev.1 (I)	Sustainable Management of Non-timber Forest Produce (NTFP) in Maharashtra State of India (India) [US\$64,522]
PPD 7/00 (F,I)	Feasibility Study for the Production of Sawnwood from Tropical Forest Using Appropriate Technologies (Ecuador) [US\$57,986]

14. Report of the Session

The Committee adopted this report for submission to the Council.

Appendix I

Technical Evaluation of Project Proposals

PD 51/00 Rev.2 (I, M) Improvement of Rubberwood Utilization and Marketing in Thailand (Thailand)

The delegate from Thailand introduced the project scope and the amendments made in the revised proposal, based on the recommendations of the Twenty-first Expert Panel for Technical Appraisal of Project Proposals. The Committee noted that the revised proposal had fully incorporated the Expert Panel's recommendations. With regard to the financial contribution of the rubberwood industry sector, which is one of the main beneficiaries of the project, the Committee noted that the Thai Rubberwood Industry Association pledged to contribute an amount of US\$32,230 to the project for the development of a sustainable rubberwood industry. Considering that the project would contribute to the improvements of national skills and capacities in rubberwood resources assessment, processing technologies and export marketing of rubberwood furniture, the Committee decided to recommend to the Council the approval and implementation of project [PD 51/00 Rev.2 (I,M)].

PD 65/01 Rev.1 (I) Training in Reduced Impact Logging in Cambodia (Cambodia)

The Secretariat introduced the amendments made in the revised proposal, based on the recommendations of the Twenty-first Expert Panel for Technical Appraisal of Project Proposals. The Committee noted the importance of the project to provide training in reduced impact logging (RIL) for about 100 foresters, supervisors, managers and trainers from the Department of Forestry and Wildlife and the private sector. The Committee also noted that the implementation of this project will be a follow-up to the recommendations made by the international conference on the application of reduced impact logging to advance sustainable forest management (Kuching, Sarawak, 26 February–1 March 2001), which was organized by FAO in cooperation with ITTO, USDA Forest Service, USAID, CIFOR, the Tropical Forest Foundation and Cirad-Forêt. One of the recommendations for international organizations is to support human resource development to enhance capacities at all levels, from forest workers to policy makers, for effective implementation of RIL.

The Committee was satisfied with the revised project proposal, which had fully addressed the Expert Panel's recommendations. Considering that the project would support human resource development in Cambodia for the effective implementation of RIL, the Committee decided to recommend to the Council the approval and implementation of the revised project proposal [PD 65/01 Rev.2 (I)], which incorporates minor amendments in the budget to appropriately account for the ITTO Programme Support Costs.

PD 69/01 Rev.1 (I) Improved and Diversified Use of Tropical Plantation Timbers in China to Supplement Diminishing Supplies from Natural Forests (China)

The delegate from China introduced background information on the technical problems in utilizing tropical plantation timbers in south China, where large-scale plantations of Eucalyptus and Acacia species have been established, along with the objectives, activities and expected outputs of the project. She further introduced the main amendments made in the revised proposal, based on the recommendations of the Twenty-first Expert Panel for Technical Appraisal of Project Proposals. The Committee felt that there was a need to promote further processing of tropical plantation timber in south China, in accordance with a goal for Forest Industry in the ITTO Libreville Action Plan. The Committee noted that the revised proposal had fully incorporated the Expert Panel's recommendations. The Committee noted that additional companies were included as collaborators to the project for a wider dissemination of processing technologies to be developed by the project.

The delegate from the U.S.A. questioned the proposed international seminar and recommended that the project results should be widely disseminated to ITTO member countries with extensive Eucalyptus plantations through the international seminar. Following this recommendation, the proposal was revised during the Session to invite seven member countries in the Asia-Pacific region to the international seminar within the proposed budget. The Committee was satisfied with this revision. Considering that the project would assist China in producing value-added products from plantation

timbers by conducting comprehensive research and development, the Committee decided to recommend to the Council its approval and implementation.

PD 77/01 Rev.2 (I) Contribution to the Development of Skills and Technical Training Structures at the Mbalmayo National School of Forestry (Central Province - Cameroon)

The delegate from Cameroon introduced the project proposal, which will support the restructuring of the forest sector currently being carried out with the assistance of the World Bank. In the framework of this exercise, a market plan for training in forestry will be carried out. The delegate of Cameroon also informed the Committee that two project proposals submitted earlier to ITTO by the Government of Cameroon [PD 77/01 (I,F) and PD 29/00 Rev.1 (F)] have been combined as suggested by the Panel of Experts. The revised project will improve the Forestry School's Herbarium and strengthen training and retraining in forestry. The Secretariat clarified that all recommendations made by the Panel of Experts had been met, except the one on making provision for an ex-post evaluation of the project. The Secretariat further indicated that provisions made for ITTO Monitoring and Evaluation (US\$10,000) are inadequate for a proper monitoring of this 18-month project. The Committee expressed satisfaction with the revisions made and decided to recommend the project for the approval of the Council, with additional provisions for ex-post evaluation (US\$15,000) and adjusted provisions (US\$15,000) for ITTO Monitoring and Evaluation.

PD 85/01 Rev.1 (I) Strategies for the Development of Sustainable Wood-Based Industries in Indonesia (Indonesia)

The delegate from Indonesia introduced the main objectives of the project and the amendments made in the revised proposal, taking into account the recommendations of the Twenty-first Expert Panel for Technical Appraisal of Project Proposals. The Committee recognized that there is an urgent need to restructure the wood industries in Indonesia and to provide policy guidelines at regional levels as a consequence of decentralization in forest management, in line with the recommendation made by the IX Meeting of Consultative Group on Indonesia (CGI) in 2000. The Committee further noted that the revised proposal had fully incorporated the Expert Panel's recommendations.

Noting that a Technical Mission to assist promoting SFM in Indonesia is undertaking a comprehensive review of the forestry sector, the delegate from the U.S.A. stressed that the project should be closely linked with recommendations to be made by the Technical Mission. He further stressed that both technical and financial contributions of the private sector to the project would be important for project implementation. The delegate from Indonesia explained that the proposed project activities would be important for the development of strategies focused on the wood-based industries, including the pulp and paper industry, in accordance with recommendations to be made by the Technical Mission. The participation and contribution of the private sector would be strengthened during project implementation. The Committee was satisfied with these explanations.

Considering that the project would contribute to the achievement of the Government of Indonesia's commitment to downsize and restructure the wood-based industry, the Committee decided to recommend to the Council the approval and implementation of the revised project proposal as contained in document PD 85/01 Rev.2 (I), which incorporates minor amendments in the budget to appropriately account for the ITTO Programme Support Costs.

PPD 16/01 Rev.1 (I) Timber Enhancement through Mechanical Processing (Congo)

The delegate from Congo informed the Committee that the pre-project is addressing the problem of timber further processing and the reduction of waste. He clarified that the pre-project will first identify and document causes of timber waste in harvesting stands and processing mills with the view to developing a strategic plan in order to improve the efficiency in timber utilization. The delegate from the U.S.A. commented that, although the use of off-cuts can contribute to the reduction of waste, good Government regulations and incentive measures can have a critical positive impact in the strategy to improve the efficient utilization of timber. The delegate from Congo also introduced the revisions that have been made in response to comments and recommendations of the Panel of Experts and concluded that all comments and recommendations of the Panel of Experts have been addressed. The Committee

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expressed satisfaction on the revisions made and decided to recommend the pre-project to Council for approval and implementation.

PPD 19/01 Rev.1 (I) Sustainable Management of Non-Timber Forest Products (NTFPs) in
Congo's Forests under Sustainable Management (Congo)

The Committee noted that the pre-project will basically focus on the collection of baseline information on NTFP in Congo. The delegate from Congo also informed the Committee that the pre-project will result in the development of a project proposal to be submitted to ITTO, in order to devise the best strategies for the management and marketing of NTFP. He also informed the Committee that all recommendations made by the Panel of Experts have been addressed in the revised proposal, including the strengthening of the pre-project objective, the adjustment of certain budget items, the revision of the TORs of the international consultant, the incorporation of aspects related to bushmeat, and the widening of the pre-project's scope to incorporate resigned considerations. The Committee expressed satisfaction on the revisions made and decided to recommend the pre-project to Council for approval and implementations.

PPD 21/01 Rev.2 (I) Promotion of Secondary Species from Cameroon Forests (Cameroon)

The Committee noted that the project will assist in implementing actions identified with the National Forestry Action Plan in the field of the promotion of LUS. Basically, the pre-project will collect existing information on LUS and develop strategies for their efficient promotion and marketing. The Committee expressed satisfaction about the revisions made and decided to recommend to Council the approval and implementation of the revised pre-project proposal as contained in PPD 21/01 Rev.2 (I), which incorporates minor amendments in the budget to appropriately account for the ITTO Programme Support Costs.

**TECHNICAL EVALUATION OF PROJECTS AND PRE-PROJECTS
IN THE AREA OF FOREST INDUSTRY**

PROJECTS	ITTA OBJECTI VES Article 1	FIELD OF ACTIVITY	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
		Art. 25 Para. 1				
PD 51/00 Rev.2 (I, M)	f,i,k,m	Further and increased wood processing	\$406,138	36 months	Thailand	1
PD 65/01 Rev.1 (I)	f,j,l,m	Training	\$274,933	24 months	Cambodia	1
PD 69/01 Rev.2 (I)	c,f,i,l,m	Further and increased wood processing	\$588,815	48 months	China	1
PD 77/01 Rev.2 (I)	d,f,j,l	Training	\$274,880	18 months	Cameroon	1
PD 85/01 Rev.2 (I)	c,d	Further and increased wood processing	\$479,603	24 months	Indonesia	1
PPD 16/01 Rev.1 (I)	c,f,i,m	Further and increased wood processing	\$47,370	6 months	Congo	1
PPD 19/01 Rev.1 (I)	c,f,l	Forest management utilization of NTFP	\$93,562	6 months	Congo	1
PPD 21/01 Rev.2 (I)	c,e,h,n	Market promotion of LUS species	\$44,205	6 months	Cameroon	1
PPD 25/01 (I,M)	c,f,i,k,m	Market promotion of further processed products	\$169,065	12 months	Global	1

1. Recommend to the ITTC to approve the (amended) proposal for implementation by ITTO and recommend it for immediate financing.
2. Recommend to the ITTC that the proposal be revised and resubmitted: (a) directly to the relevant Committee, or (b) to the Expert Panel.
3. Recommend to the ITTC to approve the proposal for ITTO sponsorship for funding through other relevant financial institutions, in accordance with Article 20, (6) and (7), and Article 28, of the ITTA, 1994.
4. Recommend to the ITTC that a decision on the proposal be deferred until the next session.
5. Recommend to the ITTC that the proposal should not be further considered by ITTO.

Appendix II

Pre-Project Study PPD 25/01 (I,M)

Review of International Wooden Furniture Markets

1. Introduction

In 2000 ITTO commissioned a study PPD 25/99 (I) "Status of Further Processing of Tropical Timber in Producing Countries" in collaboration with the International Trade Centre. This study offered a broad global demand outlook for further processed wood products such as wooden furniture, builders' joinery and profiled wood and regional overviews on further processing in producing countries. The study identified several possible lines for future action in pursuing the development of tropical timber further processing in producing countries. The Committee noted that there had been a significant increase in the openness of the wooden furniture sector and its markets had undergone significant changes over the past decade. Noting that there was an urgent need to conduct an in-depth study on wooden furniture products and markets where tropical timber producing countries are likely to be competitive, the Committee decided to implement a pre-project by the ITTO Secretariat to conduct market research on wooden furniture in the main consumer countries as a follow-up to PPD 25/99 (I). The following terms of reference describe the consultancy work.

2. Terms of Reference

- A. Review the status and trends in the international wooden furniture markets with regard to consumption of wooden furniture and the wooden furniture industries, taking into account the report entitled "Wooden Household Furniture: A Study of Major Markets", which was published in 1990 by ITTO in collaboration with the International Trade Centre UNCTAD/WTO.
- B. Assess the outlook for wooden furniture, including bamboo and rattan, into the 21st century, providing a view of products and markets where tropical timber producing countries are likely to be competitive.
- C. Analyze quality standards and labeling requirements in the major wooden furniture markets and their implications for manufacturers in producer countries
- D. Consider possible actions that ITTO, member governments and the trade and industry sectors could undertake to enhance their work related to the development of the wood furniture industry in producer countries for the high-value end of the market.
- E. Prepare and present for the consideration of the Committee a preliminary report at its Thirtieth session and a final report at its Thirty-first session.

3. Duration

The expected duration of the pre-project is twelve months.

4. Budget

Budget Components	Total (US\$)
10. Project Personal 16. International Consultants (2 months/4 person-China, EU, Japan, Middle East, USA) 19. Component Total	98,000 98,000
30. Duty Travel 31. Daily Subsistence Allowance (US\$200X20 daysX4 person) 32. International Travel (to Yokohama and selected member countries) 39. Component Total	16,000 16,000 32,000
60. Miscellaneous 65. Publication 69. Component Total	23,000 23,000
Subtotal	153,000
80. ITTO Monitoring, Evaluation and Administration 84. Programme Support Costs (10.5%) 89. Component Total	16,065 16,065
GRAND TOTAL	169,065

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Yaoundé, Cameroon

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

NINTH SESSION OF THE COMMITTEE ON

FINANCE AND ADMINISTRATION

(28 May – 2 June 2001, Yaoundé, Cameroon)

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

NINTH SESSION OF THE COMMITTEE ON FINANCE AND ADMINISTRATION

Item 1: Opening by the Chairperson

1. The Session was opened by the Chairperson, Mr. Batoum Thémotio (Cameroon), who welcomed all delegates to the Ninth Session.

Item 2: Adoption of Agenda and Organization of Work

2. The Committee adopted its agenda as presented in document CFA(IX)/1. The Chairperson drew the attention of the Committee to the work of the Sub-Committee under the Committee on Finance and Administration (CFA) for the allocation of funds under Sub-Account B of the BPF, created under Council Decision 9(XXVII), and chaired by the Vice-Chairperson of the Committee, Mrs. Kayoko Fukushima (Japan). He advised the Sub-Committee to select the members and to commence its work as soon as possible,

Item 3: Admission of Observers

3. The list of Observers admitted by the Committee is contained in Document ITTC(XXX)/Info.3.

Item 4: Report of the Expert Panel for Technical Appraisal of Project Proposals

4. The Chairperson advised the Committee that the Report of the Twenty-first Meeting of the Expert Panel for Technical Appraisal of Project Proposals [Document CEM,CRF,CFI(XXVIII)/1] was discussed in the joint Session of the Committees on 28 May 2001, and that the joint Session had taken note of the recommendations of the Expert Panel. The joint Session had not requested the CFA to discuss any recommendations of the Expert Panel.

Item 5: Review of Contributions to the Administrative Budgets (1986 – 2001)

5. The Secretariat introduced document CFA(IX)/3, which details the history of Members' contributions to the Administrative Budgets for the financial years from 1986 to 2001, including assessments, receipts, interest, and arrears in contribution. The Committee was informed that the contribution from Cameroon in the amount of \$36,630.76 was received on 21 May 2001 which covers the remaining balance of contribution for 2001 of \$31,746.66 and an advance payment for the year 2002 of \$4,884.10. The Secretariat also informed the Committee later that contributions were also received from

Vanuatu	23 May 2001	\$17,453.00	Remaining balance for 2001
France	29 May 2001	\$57,250.00	Partial payment for 2001
Bolivia	30 May 2001	\$59,540.00	Payment in full for 2001
Portugal	31 May 2001	\$46,503.00	Payment in full for 2001
Italy	31 May 2001	\$73,280.00	Payment in full for 2001
Ireland	31 May 2001	\$34,929.00	Payment in full for 2001 (of \$27,480.00) and Partial arrearage for 2000 (\$7,449.00),

6. The delegate from Japan advised the Committee that the contribution from Japan will be remitted to the Organization sometime by July 2001, and that the delay in payment is due to his Government's annual budgetary system of which the annual budget commences only in April.

7. Concern was expressed on the large arrearages in contribution to previous years' budgets from the current Member of ITTO, which amount to \$6,584,001.68 as well as the outstanding interest charges on late contributions as levied in the former ITTA, 1983, in the amount of \$269,929.83. In addition, an amount of US\$24,836.72 (including interest amount of \$116.72) was due from a former member of ITTO.

8. The delegate from Central African Republic noted that most of the arrearages in contributions are due by Members from Africa. He informed the Committee that in the past, countries in Central Africa had a Forestry

Fund for the development of forests that was also used for settlement of memberships in international organizations like ITTO. Since 1999, the International Monetary Fund (IMF), had limited the resources of such countries in trying to solve their economic difficulties. He expressed the opinion that the resources generated from forestry action by African countries should first and foremost support the development of their forests and through which to use for payment of their assessed contributions to the ITTO Administrative Account.

9. The Committee decided to discuss the issue on arrearages in contributions by Members further under the Agenda item: 10 "Report of the Inter-Sessional Working Group of the CFA on Financial and Administrative Matters" [Document CFA(IX)/7], which had made recommendations with regard to the treatment of arrears in contributions of Members to the Administrative Budgets including new and incentive measures.

10. The Committee took note of the report.

Item 6: Current Status of the Administrative Account for 2001

11. Secretariat presented document CFA(IX)/4 which showed the current status of the Administrative Budget for 2001 (as of 11 May 2001) and estimated expenditures for the current year. The Secretariat advised the Committee that it is estimated that the total expenditures for 2001, after some cost saving measures, amount to \$3,961,897.00, which is \$673,476.00 less than the approved budget of \$4,635,373.00. The main savings are anticipated under the "Heading-Salaries and Benefits" as a result of the delay in filling the position of a Projects Manager as well as the strength of the U.S. dollar against the Japanese Yen resulting in expenditures amounting less in dollar term. The Secretariat anticipate that with the usual expectation of payments by Members before the end of 2001, a saving of \$235,672.53 is expected. However, as payments from some members may not be received before the end of the current year, it may be necessary to utilize some resources from the Working Capital Account (WCA) should expected payments of contributions are not received in time. The Committee discussed the issue and decided that for the purpose of a smooth continuation of the work of the Secretariat, a Council decision would be needed to authorize the Executive Director to transfer funds, only if necessary, from the Working Capital Account (WCA) to the Administrative Account in the amount of not exceeding \$200,000.00 in the event of a deficit. The Committee also discussed further cost saving measures in the Administrative Budget by both the Secretariat and the Council.

12. The Secretariat also informed the Committee that, with payments by Members of arrears in contribution and interests in the early months of this year, the Working Capital Account at present amounts to US\$3,782,244.00 which is an increase from the amount of US\$3,636,717 accounted as at 31 December 2000. This was due to payment by Members of arrearages in contributions and interest charges levied on late contributions under the old Agreement and also of interest earned on investments and deposits.

13. The Committee took note of the report and decided to recommend to the Council for the adoption of a decision to authorize the Executive Director to transfer funds from the Working Capital Account (WCA) to the Administrative Account in the event of a deficit.

Item 7: Resources of the Special Account and the Bali Partnership Fund

14. The Secretariat presented document CFA(IX)/5, which is a comprehensive listing of expenditures on, and contributions to, the two sub-accounts of the Special Account, namely Pre-Project and Project Sub-Accounts, and the Bali Partnership Fund (BPF). A list of completed Pre-Projects, Activities and Projects was also included and showed the pro-rated refunds to relevant donors. The Secretariat also advised that since this document serves as an information and reference document, Members are invited to contact the Secretariat for further information or clarifications on the details either during the course of this Session or by correspondence at a later date.

15. With regard to the resources of the Bali Partnership Fund, the Secretariat informed the Committee that as of the end of the last session, fourteen Activities and two Projects with a total budget of \$4,254,837.00 had been funded from the resources of Sub-Account B of the Bali Partnership Fund. And, the current available resources of Sub-Account B amounted to US\$5,471,853.54. It was pointed out that the Sub-Committee on Sub-Account B of the BPF will be working during this Session of the Committee on identification of pre-projects, activities and projects that are to be financed from these resources.

16. The Secretariat added that regarding the Statement of Contributions on the Bali Partnership Fund Sub-Account B, after a discussion with the Chairperson and Vice Chairperson, it was concluded that the contributions from the Governments of Finland and Sweden amounting to \$50,000.00 and \$20,000.00

respectively, more appropriately be included under the Pre Project Sub Account, since they were earmarked for two specific activities. Accordingly, the Secretariat will amend this Statement at the next Session.

17. The Committee took note of the document.

Item 8: Auditor's Report for the Financial Year 2000

18. The Secretariat introduced document CFA(IX)/2 which is the report of the auditor, PriceWaterhouseCoopers, Yokohama, that was appointed by the Council under Decision 7(XXIX) to audit the accounts of the Organization for the financial year 2000. The Secretariat informed the Committee that the audit work was carried out during February 2001 between the auditors and the Secretariat, and, for the first time, consolidated financial statements of the three accounts of the Organization – (a) the Administrative Account, (b) the Special Account, and (c) the Bali Partnership Fund Account – had been prepared, in addition to the usual separate accounts. The consolidated financial statements showed a comprehensive picture of the overall financial status of the Organization.

19. In response to a query from the delegate of Australia, it was explained that their contributions to the Administrative Budget for the year 2000 was received in advance in 1999 and hence it was classified as "Contributions received in Advance" in the audited accounts, while that of 2001 was received in early 2001.

20. The Committee took note of the Auditor's reports and decided to recommend their approval to the Council.

Item 9. Review of the Resources of the Programme Support Fund, including Translation Costs

21. The Secretariat introduced document CFA(IX)/6, "Review of the Resources of the Programme Support Fund, including Translation Costs". It informed the committee that the resources of the Programme Support Fund are derived as a charge, currently at the rate of 5.5% (10.5% in the case of ITTO executed) of the basic budget of the pre-projects, projects and Council approved activities, in accordance with the Rule 16 of the "Financial Rules and Rules Relating to Projects". The purpose of the Programme Support Fund is to defray the expenses of administration of projects, pre-projects and activities of the Organization, and it comprises the remuneration of the project administration staff and other expenses related to project administration, and, 0.5% of the afore-mentioned programme support charge is utilized to defray expenses of translation of Council and Committee documents, and projects and pre-project documents into ITTO working languages.

22. The Secretariat informed the Committee that as of December 2000 the resources available under the Programme Support Fund amounted to US\$4.77 million, the average annual accumulated fund amounted to US\$923,000.00 and the overall expenditure for the year 2001 is estimated to be around US\$925,000.00 including the cost of financing the position of the Finance/Administrative Officer. The Committee was informed that the continuation of the appointment of a qualified person to oversee the administrative and financial control of projects is a necessity and accordingly, urged the Members to recommend the continuation of such appointment to Council. The Secretariat also pointed out that the available resources is a "Reserve for Programme Support" which takes account of the long-term nature of ITTO's commitment to its projects.

23. The Secretariat informed the Committee that with regard to the document translation costs from the Programme Support, the current provision of 0.5% charge rate plus the funds for translation costs provided by the Government of Japan have proved to be insufficient and as of the end of December 2000, the translation costs exceeded by an amount of US\$217,732.01. The Committee was requested to authorize the utilization of the general Programme Support Fund to eliminate this deficit.

24. In addition, the Secretariat urged the Committee to consider increasing the Programme Support charge to defray expenses of the translation of Council and Committee documents, and projects and pre-project documents into ITTO working languages to 1.0 per cent from the current provision of 0.5 per cent, with a view to avoid incurring deficit under this budget line in the future. If approved, the overall Programme Support charge will be increased to 6.0 percent (currently 5.5 per cent) or to 11.0 per cent in the case of ITTO executed (currently 10.5 per cent).

25. The Secretariat also referred to the document CFA(IX)/7, "Report of the Inter-Sessional Working Group of the CFA on Financial and Administrative Matters" and highlighted that should the recommendation of the Working Group be accepted with regard to the suggestion of financing projects and activities which are of

essential in nature, through the resources of the Programme Support Fund, it will become necessary to increase the overall charge rate considerably.

26. The delegate of Japan informed the Committee that while his Government does not object the increase rate for the translation costs, Japan could not agree at this stage to the estimated additional increase of 8 per cent in the overall charge rate of the Programme Support with a view to finance those activities identified as essential to fulfill the mandate of the Organization, as recommended by the Inter-Sessional Working Group. The delegate from the United States of America supported the proposed increased rate for the translation costs and also expressed appreciation for Japan's continued and extensive generosity in making voluntary contributions to ITTO.

27. The Committee decided to recommend to the Council to continue with the appointment of the post of Finance/Administrative Officer with the resources of the Programme Support fund, and to increase the Programme Support charge to defray expenses of the translation of Council and Committee documents, and projects and pre-project documents into ITTO working language, to 1.0 per cent from the current provision of 0.5 per cent, to be effective on the proposals for activities, pre-projects and projects that will be considered from the Thirty-first Session of the Council.

Item 10: Report of the Inter-Sessional Working Group of the CFA on Financial and Administrative Matters

28. The Chairperson introduced document CFA(IX)/7, "Report of the Inter-Sessional Working Group of the CFA on Financial and Administrative Matters". He informed that the Working Group comprised of three consumer member representatives that are main donors to the BPF and two producer member representatives, one from each geographic region, met from 31 January to 2 February 2001, in Yokohama, Japan. A number of issues were considered at that meeting as shown below and the Working Group made constructive recommendations for the consideration of the CFA. The issues considered were as follows:

- a. Criteria for Selection of Projects, Pre-Projects and Activities to be financed from Sub-Account B of the Bali Partnership Fund and Methodologies for Monitoring Progress.
- b. New and Increased Funding to the Organization.
- c. Arrearages of Members to the Administrative Budget.
- d. Issues Related to Hosting the Council and Committee Sessions Outside Japan.
- e. Support for the Secretariat and Effective and Efficient Use of Resources.
- f. Social Security Scheme for Japanese Staff Members.
- g. Outstanding Financial Matters.

29. The Committee deliberated on the various recommendations of the Inter-Sessional Working Group. The Committee concurred with the recommendations regarding the management of Sub-Account B of the Bali Partnership Fund, except the recommendation regarding the funding of essential activities of the Organization through an increase of the Programme Support fund. It concluded that other possible sources of financing for these are to be explored.

30. The Committee decided to recommend the formation of a Working Group which is to meet for one-half day during the Thirty-first Session of the Council in Yokohama, preferably prior to the commencement of the Session, to deliberate on the suggestions of the Inter-Sessional Working Group regarding item (b), "New and Increased Funding to the Organization".

31. The Committee decided to recommend items (c), (d) and (e) for further deliberation by the Council. The Chairman requested that the Executive Director present a report to the Council on current staffing situation of the Secretariat, including implementation of the current programmes and elaboration on the necessary measures for Council consideration, as recommended by the Inter-Sessional Working Group under item (e), "Support for the Secretariat and Effective and Efficient Use of Resources".

32. On item (f), "Social Security Scheme for Japanese Staff Members", the Secretariat presented document CFA(IX)/8, "Provident Fund for Japanese Staff Members", and informed the Committee that presently, the ITTO

Staff Regulations and Rules have dissimilar provisions for Japanese nationals and expatriate staff members with regard to pension contribution, including the right to participate in the Organization's Provident Fund. The Secretariat proposed that the Organization's contribution to the pension scheme of the Japanese staff members be increased to the same level currently provided to non-Japanese staff members. The Committee was informed that the Secretariat's proposal would require minor amendments in the Staff Regulations and Rules.

33. The representative from the Government of Japan informed the Committee that earlier, he had constructive discussions with the Secretariat with regard to the proposal of the Provident Fund for Japanese Staff Members and informed that further consultation on the issue within his Ministry would be required. However, he is hopeful of a positive outcome before the next Session of the Council. The Executive Director appreciated the comment of the representative and he informed the Members that the proposed Administrative Budget for the year 2002 will include the provision for the Organization's contribution to the pension scheme of the Japanese staff members with a view to implement such scheme from year 2002.

34. Later on in the Session, Japan advised the Committee that the Headquarters Agreement between the Government of Japan and ITTO stipulates that "the Council makes necessary provision to enable staff members (of the Organization) who are nationals of or permanent residents in Japan to participate in the social security scheme of Japan" and this does not legally prevent their participation in the provident fund of the Organization. Through its consultations with the Secretariat, Japan acknowledges the eagerness of the Secretariat in taking appropriate measures to improve social security conditions for those staff members. However, from the financial point of view, Japan maintains its long-standing policy in maintaining "zero nominal growth (ZNG)" in international organizations' administrative budget. He added that in its consultations with the Secretariat, the Government of Japan has obtained the assurance by the Executive Director that he will make utmost efforts to propose "zero nominal growth" in the proposed administrative budgets for the Organization for the year 2002 and for future years. Therefore, Japan has no objection for the Secretariat to move ahead on this issue.

35. The Secretariat acknowledged with sincere gratitude the agreement of the Government of Japan for the implementation of a uniform system for contributions by the Organization to the Provident Fund for all staff members, taking into account the required participation in the Japanese Social Security Scheme by staff members who are nationals or permanent residents in Japan.

36. The representative from the United States of America appreciated the positive outcome on the issue and reiterated the position of her Government with regard to the maintaining of zero nominal growth in the Administrative Budgets.

37. On item (g), "Outstanding Financial Matters", the Secretariat informed the Committee that the problem of excess expenditure on project PD 26/92 Rev.1 (F,I) is yet to be resolved with the Donor (CFC) and accordingly, it is to be included in the list of items to be written off. The Secretariat added that efforts will continue to obtain the contribution from the donor and the provision to write off will not be required if contribution is received from the donor. The Committee approved the write-off of the excess expenditure on one activity and two projects by utilizing the resources of the Programme Support Fund.

38. The Committee complimented the members of the Inter-Sessional Working Group for the innovative and constructive recommendations.

Item 11: Report of the Sub-Committee on the Sub-Account B of the Bali Partnership Fund

39. The report of the Sub-Committee on Sub-Account B of the Bali Partnership Fund is included as Annex to this report.

Item 12: Dates and Venues of the Tenth, Eleventh and Twelfth Sessions

40. The Chairperson advised the Committee that the Tenth Session of the Committee will be held in Yokohama, Japan, from 29 October to 3 November 2001; and that the dates and venues of the Eleventh and Twelfth Sessions of the Committee will be determined in relation to the dates and venues fixed by the Council for its Thirty-second and Thirty-third Sessions.

Item 13: Other Business

41. There was no other business.

Item 14: Recommendations to the International Tropical Timber Council

42. The Committee decided to make the following recommendations to the Council:

- (1) To adopt the Report of the Independent Public Accountants on the Accounts of the Organization for the Financial Year 2000 as contained in document CFA(IX)/2;
- (2) To authorize the Executive Director to transfer, if necessary, an amount not exceeding \$200,000.00 from the Working Capital Account (WCA) to the current account in the Administrative Account to meet the shortfall of funds to implement the work programme of the Organization for the year 2001, until the Tenth Session of the CFA later this year;

Post of Finance/Administrative Officer:

- (3) Authorize the Executive Director to continue with the employment of a qualified person to the post of Finance/Administrative Officer, taking into account the availability of resources in the Programme Support Fund of the Special Account;

Document Translation Costs:

- (4) Authorize the transfer of an amount of US\$217,732.09 from the General Programme Support to the component of "Translation Costs" in the Programme Support to eliminate most of the deficit incurred in that account as at the end of the financial year 2000;
- (5) Increase the charges to be deducted in all budgets of projects, pre-projects and activities, to defray the costs of translating project and pre-project proposals to the percentage of 1.0% [from the current 0.5% decided in Decision 4(XV)]; and
- (6) Accordingly, to increase the total charges to be deducted in all budgets of projects, pre-projects and activities, to the percentage of 6.0% [from the current percentage of 5.5%], except in the case of ITTO-executed Pre-Projects, Projects, and Council-approved activities, when this figure will be 11% [from the current percentage of 10.5%], to be deposited as Programme Support in the Special Account.

Offset Excess Expenditure incurred under completed project and activity:

- (7) Authorize the Executive Director to write off the excess expenditure to the Programme Support Fund under the Special Account for the following:
 - (j) Project PD 2/95 Rev.1 (F,I)
Book and Databank on the Lesser-Known Timbers of South-East Asia: Volume 5(3)
within the PROSEA Programme
Amount to be written off: US\$51,660.00
 - (ii) Activity PP-A/20-50
Update of Study on Certification of all Internationally Traded Timber and Timber Products
[Decision 4(XX)]
Amount to be written off: US\$11,780.79

- (iii) Project PD 26/92 Rev.1 (F,I)
Development of Methods and Strategies for Sustained Management of Moist Tropical Forest in Cameroon
Amount to be written off: US\$70,361.58

Management of the Bali Partnership Fund:

- (7) Adopt the Decision on the "Management of the Bali Partnership Fund" for the establishment of a Panel on Sub-Account B of the Bali Partnership Fund that will report directly to the Council,

Social Security Scheme for Japanese Staff Members:

- (8) Request the Executive Director to implement a uniform system with regard to the contribution of the Organization for the Provident Fund for all the staff members, taking into account the required participation in the Japanese Social Security Scheme by staff members who are nationals or permanent residents in Japan,

Other Recommendations of the Inter-Sessional Working Group:

- (9) Formation of a Working Group which is to meet during the Thirty-first Session of the Council in Yokohama, preferably one-half day prior to the commencement of the Session, to deliberate on the suggestions of the Inter-Sessional Working Group regarding item (b) "New and Increased Funding to the Organization";
- (10) Recommend the suggestions of the Inter-Sessional Working Group on the following further items for deliberation by the Council:
 - a. Arrearages of Members to the Administrative Budget.
 - b. Issues Related to Hosting the Council and Committee Sessions Outside Japan.
 - c. Support for the Secretariat and Effective and Efficient Use of Resources.

Item 15: Report of the Session

- 43. The Committee adopted this report as amended.

Annex

Report of the Sub-Committee on Sub-Account B of the Bali Partnership Fund

1. The Sub-Committee on Sub-Account B of the Bali Partnership Fund (BPF) was established by Decision 9(XXVII) for the prioritization and monitoring of non-country specific actions, pre-projects and projects funded by the Bali Partnership Fund.
2. The Sub-Committee was chaired by the Vice-Chairperson of the CFA, Mrs. Kayoko Fukushima (Japan) and composed of:
 - (a) Three consumer member representatives that are main contributors to the BPF;
 - (i) Mrs. Kayoko Fukushima (Japan)
 - (ii) Dr. Jürgen Blaser (Switzerland); and
 - (iii) Ms. Candy Green (U.S.A.).
 - (b) Three producer member representatives, one from each geographic region:
 - (i) Ms. Cecilia G. Malaguti de Souza (Brazil) - Latin America;
 - (ii) Mr. Agyeman Fredua (Ghana) - Africa; and
 - (iii) Mr. Shaharuddin Mohmad Ismail (Malaysia) – Asia/Pacific.
3. The Sub-Committee held its Third Meeting during the Ninth Session of the CFA.
4. The Secretariat informed the Sub-Committee that as at the Twenty-ninth Session of the Council, fourteen Activities and two Projects with a total budget amount of \$4,254,837.00 had been funded from the resources of the Sub-Account B. The activities and projects financed from the resources of Sub-Account B are:

Activity PA/26-79 - ITTO Manual for the Application of Criteria and Indicators for Sustainable management of Natural Tropical Forest – Decision 3(XXVI)

Budget:	\$570,000.00
Expenditure to-date:	\$382,793.00
Current Balance:	\$187,207.00

Activity PA/27-83 – Consultants to Undertake a Study and to Present a Preliminary Report on the Assessment of the Sustainability of Tropical Forests – Decision 9(XXVI)

Budget:	\$185,000.00
Expenditure to-date:	\$ 72,585.00
Current Balance:	\$112,415.00

Activity PA/27-84 - ITTO Year 2000 Objective and its Promotion through Public Education and Awareness – Decision 5(XXVII)

Budget:	\$120,000.00
Expenditure to-date:	\$ 91,393.00
Current Balance:	\$ 28,607.00

Activity PA/28-85 -Expert Panel for Technical Appraisal of Project Proposals, Twentieth Meeting

Budget:	\$89,675.00
Expenditure to-date:	\$89,675.00
Current Balance:	Nil

Activity PA/28-86 – Consultants and Expert Panel for Development of a Framework for Auditing System for ITTO's Criteria and Indicators for Sustainable Forest Management – Decision 5(XXVIII)

Budget:	\$200,000.00
Expenditure to-date:	\$ 99,162.00
Current Balance:	\$100,838.00

Activity PA/28-87 – ITTO Participation in the Forestry Compendium Programme – Decision 2(XXVIII)

Budget:	\$100,000.00
Expenditure to-date:	\$100,000.00
Current Balance:	Nil

Activity PA/29-88 – Expert Panel for Technical Appraisal of Project Proposals, Twenty-first Meeting, 5-9 February 2001

Budget:	\$93,500.00
Expenditure to-date:	\$61,959.00
Current Balance:	\$31,541.00

Activity PA/29-91 – Cooperation between the International Tropical Timber Organization (ITTO) and the African Timber Organization (ATO) – Decision 2(XXIX)

Budget:	\$125,000.00
Expenditure to-date:	\$ 22,335.00
Current Balance:	\$102,665.00

Activity PA/29-92 – Development of Format to Facilitate Reporting of Progress in Implementing the ITTO's Criteria and Indicators – Decision 2(XXIX)

Budget:	\$40,000.00
Expenditure to-date:	\$16,900.00
Current Balance:	\$23,100.00

Activity PA/29-93 – Rendering Assistance to Producer Countries, on Request, to Identify, in Each Country, Those Factors which Most Severely Limit Progress towards Achieving Objective 2000 and Sustainable Forest Management and to Formulate an Action Plan to overcome these Constraints – Decision 2(XXIX) Para.5

Budget:	\$500,000.00
Expenditure to-date:	\$ 47,510.00
Current Balance:	\$452,490.00

Activity PA/29-95 – Communications and Outreach Activities – Decision 3(XXIX)

Budget:	\$140,000.00
Expenditure to-date:	\$ 20,242.00
Current Balance:	\$119,758.00

Activity PA/29-96 – New ITTO Action Plan – Decision 11(XXIX)

Budget:	\$200,000.00
Expenditure to-date:	\$ 41,357.00
Current Balance:	\$158,643.00

Activity PA/29-97 – The Role of the ITTO in International and Regional Organizations and Fora – Decision 13(XXIX)

Budget:	\$120,000.00
Expenditure to-date:	\$ 16,130.00
Current Balance:	\$103,870.00

Activity PA/29-98 – Mangrove Conservation Programme – Decision 9(XXIX)

Budget:	\$50,000.00
Expenditure to-date:	\$ 4,751.00
Current Balance:	\$45,249.00

Project PD 13/99 R.2 (M,F,I) – ITTO Information Network and Project Support

Budget:	\$1,021,662.00
Expenditure to-date:	\$ 475,142.00
Current Balance:	\$ 546,520.00

Project PD 73/89 R.2 (M,F,I) – Assistance for Project Identification and Formulation

Budget:	\$700,000.00	
Expenditure to-date:	\$700,000.00	transferred to Project Sub-Account
Current Balance:	Nil	

5. The Sub-Committee was further advised by the Secretariat that the current available resources of the Sub-Account B at this Session amounted to \$5,471,853.54.

6. Members of the Sub-Committee participated in the Chairperson's open-ended drafting group meetings in order to obtain information on decisions relevant to actions, Pre-Projects and Projects eligible for financing from the resources of the Sub-Account B of the BPF. Subsequently, the Sub-Committee recommended that the following prioritized actions, Pre-Projects and Projects are eligible for financing from the resources of the Sub-Account B of the BPF:

- Expert Panel for Technical Appraisal of Project Proposals, Twenty-second Meeting (\$93,500.00);
- Cooperation with FAO to Convene an International Conference on Criteria and Indicators for Sustainable Forest Management (\$150,000.00) [Decision 5(XXX)];
- Guidelines for the Management of Secondary Tropical Forests, Tropical Forest Restoration and Rehabilitation of Degraded Forest Lands (\$200,000.00) [Decision 6(XXX)];
- Cooperation between the International Tropical Timber Organization (ITTO) and IUCN – The World Conservation Union (\$188,000.00) [Decision 8(XXX)];
- Reporting Formats and Training for ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests (\$832,500.00) [Decision 9(XXX)];
- Certification (\$172,380.00) [Decision 10(XXX)]; and
- Strengthening Sustainable Forest Management in Central African Countries (Congo Basin) (\$120,000.00) [Decision 11(XXX)].

* * *

ANNEX V

REPORT OF THE INFORMAL ADVISORY GROUP (IAG)

DOCUMENT: ITTC(XXX)/2

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27 May 2001

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THIRTIETH SESSION
28 May – 2 June 2001
Yaoundé, Cameroon

**REPORT OF THE INFORMAL ADVISORY GROUP (IAG)
AT ITS EIGHTH MEETING**

**27 May 2001
Yaoundé, Cameroon**

**Eighth Meeting of the Informal Advisory Group (IAG)
Yaoundé, Cameroon, 27 May 2001**

Report of the Chairman

The Eighth Meeting of the IAG was convened on Sunday, 27 May 2001 at Salon Bete A, Hotel Hilton Yaoundé, Cameroon at 10:00 a.m. chaired by Dra. Josefina Takahashi Sato (Peru), Chairperson of the Council. The meeting was attended by Dr. Jürgen Blaser (Switzerland), Vice-Chairman of the Council, Dr. Antonio Carlos do Prado (Brazil), Chairman of the Committee on Economic Information and Market Intelligence, Mr. Chen Xuhe (People's Republic of China), Chairman of the Committee on Reforestation and Forest Management, Dr. Abdul Rashid Hj. Abdul Malik (Malaysia), Chairman of the Committee on Forest Industry, Mr. Batoum Themotio (Cameroon), Chairman of the Committee on Finance and Administration, Ms. Kayoko Fukushima (Japan), Representative of the Host Government of the Headquarters, Dr. Untung Iskandar (Indonesia), Producer Spokesperson, Ms. Aulikki Kauppila (Finland), Consumer Spokesperson, and Dr. Manoel Sobral Filho, the Executive Director.

1. The IAG considered the following agenda items for discussion:
 - i. Brief background on the IAG:
 - Decision 5(XXVI);
 - Report of the IAG at its Seventh Meeting, 29 October 2000;
 - ii. Matters Relating to Article 35 of the ITTA, 1994;
 - iii. Long term ITTO's Strategic Plan;
 - iv. The role of ITTO on critical international issues such as:
 - Sustainable tropical forest management as a source of jobs, poverty eradication and sustainable development;
 - Macro-economic events affecting tropical forests and tropical forest products trade development;
 - Financial and technical resources for implementation of tropical forest policies;
 - Forests and Climate Change.
 - v. The Council decision-making process; and
 - vi. Other matters including Decision 14(XXIX) - "Items to revisit at the Thirtieth Session of the Council".
2. In its deliberation, the IAG noted and made reference to Decision 5(XXVI) and the Report of the Informal Advisory Group (IAG) at its Seventh Meeting held on 29 October 2000 in Yokohama, Japan as contained in document ITTC(XXIX)/2 dated 29 October 2000. In accordance with paragraph 1 of Decision 5(XXVI), the IAG noted that its role and continued existence would be reassessed by the Council at its Thirtieth Session.
3. On matters relating to Article 35 of the ITTA, 1994, the IAG noted the provision for the Council to review the scope of the Agreement in 2001, four years after its entry into force on 1 January 1997. Following the adoption of Decision 4(XXVIII) by which the Council extended the ITTA, 1994 for a period of three years with effect from 1 January 2001 till 31 December 2003 and considering the relevant developments that had taken place within ITTO and the international forest-related agenda, the IAG recognized that for the time being, members were focused on ensuring the implementation of the ITTA, 1994 in its current scope and form.
4. The Chair raised the need for a long-term strategic plan for ITTO which should be broader in scope and longer in time frame than the ITTO Action Plan. In considering the proposal, the IAG underlined the necessity for such a plan and for it to be truly strategic to ensure the continuing relevance of ITTO in light of the identified issues and challenges related to forests and forestry as thematised through the international forest related agenda. The IAG further noted that work on the development of the new ITTO Action Plan pursuant to Decision 11(XXIX) had begun and that the period of the Plan from 2002 to 2006 would coincide with the maximum duration of the ITTA, 1994 and the first five year period of the United Nations Forum on Forests (UNFF).

5. The need to effectively strategize on the role of ITTO in connection with critical international issues was considered at length by the IAG. It noted the specific findings and recommendations of the Expert Panel on the Role of ITTO in International and Regional Organizations and Fora relating to past and current ITTO 's involvement, issues of relevance to ITTO and measures for effective involvement of ITTO in these organizations and fora. It was observed that within the context of the rapid developments and emerging issues and challenges on the international forest-related agenda, ITTO had been known more as a commodity organization dealing primarily with tropical timber. In order to ensure its continuing relevance in the years ahead, the IAG recognized the merit of transforming and broadening the image of ITTO as the organization promoting the sustainable management of tropical forests, having much greater presence and impact in the three tropical forest regions of the world and sending a clear message regarding the desirability of investing in sustainable management of tropical forests as a means of alleviating poverty and promoting sustainable social-economic development. Towards this end, the need to identify the niche areas for ITTO, to enhance its capacity in implementation and further improvement of its project work, and to capitalize on synergies and coordination with strategic partners were emphasized. The capacity of the ITTO Secretariat to ensure ITTO's greater and more effective participation in relevant international and regional organizations and fora had to be strategically reviewed. The IAG further recognized the potential constraints including limited resources that might hinder progress in this regard. The IAG recommended that the task of prioritisation should be undertaken by the Council based on acceptable criteria such as relevance to ITTA, 1994 and the costs and benefits involved. It was further recommended that the consultants engaged in the formulation of the new ITTO Action Plan be requested to examine some of the strategic issues that would confront ITTO in the long term with a view to providing ideas on effective implementation including improving the project cycle, better organization of project monitoring and facilitating greater presence of ITTO in the tropical forest regions in the world.
6. The IAG noted that the short duration of the Session of the Council was one of the critical factors affecting its decision making process. In view of the additional time required to accommodate the Opening Ceremony, the annual ITTO Market Discussion and field trip, the IAG noted the desirability for the Council to consider further the duration of its mid-year Session. More inter-sessional work by way of panels and e-mail communication might also be required. The IAG further felt that the decision-making process could be further facilitated by identifying strategic ideas on possible decisions in advance, ventilating the ideas at the caucus meetings and conducting general discussions, identifying possible decisions of a routine nature that could be drafted by the ITTO Secretariat, referring the technical aspects of the draft decision to the relevant Committees for consideration, spending less time on the preambular parts of the draft decisions, and providing greater responsibility to the Chairperson of the Council to undertake the necessary preparatory work prior to the Session of the Council. The IAG recommended that these measures be considered by the Council at its Thirty-first Session as stipulated in the ITTO Work Programme for the Year 2001.
7. On other matters, the IAG noted its earlier discussion of the items to be revisited at the Thirtieth Session of the Council. It further agreed to give consideration to the possible list of decisions to be considered and adopted by the Council at its Thirtieth Session.
8. The IAG considered the possible list of decisions to be considered and adopted by the Council at its Thirtieth Session as follows:
 - i. Projects, Pre-projects and Activities
 - ii. Guidelines on the Management of Secondary Tropical Forests and Degraded Tropical Forest Land [to be taken up under item 12(a) of the Council Agenda]
 - iii. Certification [item 12(b) of the Council Agenda]
 - iv. Illegal Logging and Trade in Illegally Harvested Timber [item 12(c) of the Council Agenda]
 - v. Format for Reporting Progress in Implementing ITTO Criteria and Indicators for Sustainable Management of Tropical Forests [to be taken up under item 11 of the Council Agenda]
 - vi. Training Workshops and Field Testing of the Manual for the Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests [item 11 of the Council Agenda]
 - vii. Guidelines for Establishing Auditing Systems for ITTO Criteria and Indicators for Sustainable Management of Tropical Forests [item 12(e) of the Council Agenda]
 - viii. Cooperation between ITTO and FAO in the Convening of the International Conference on Criteria and Indicators for Sustainable Forest Management
 - ix. Cooperation between ITTO and IUCN – The World Conservation Union

- x. The Role of ITTO in International and Regional Organizations and Fora [item 19 of the Council Agenda]
- xi. Decisions Relating to Administrative Matters Comprising;
 - Management of the Administrative Budget for 2001
 - Management of Sub-account B of the Bali Partnership Fund
 - Recommendations of the Inter-Sessional Working Group of the CFA on Financial Matters
 - Utilization of Programme Support to Meet Translation Costs

It was the considered view of the IAG that from the possible list of decisions above, items i, ii, v, vii and xi appeared to be routine or of less contentious nature.

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