



# INTERNATIONAL TROPICAL TIMBER COUNCIL

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STATISTICS AND MARKETS

COMMITTEE ON FOREST INDUSTRY

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## REPORT OF PROJECTS AND PRE-PROJECTS IN PROGRESS

### ECONOMICS, STATISTICS AND MARKETS

#### [A] Projects and Pre-Projects under Implementation

1. **PD 182/03 Rev.2 (M) Enhancement of the Forest Statistics Information and Management System (STATFOR) through the Integration of a Computer Module for Processed Log Management (Gabon)**

Budget and Source of Funding:

Total Budget:	US\$	439,618
Bali Partnership Fund Sub-account A:	US\$	235,768
Government of USA:	US\$	50,000
Government of Gabon:	US\$	153,850

Implementing Agency: Direction des Inventaires, des Aménagements et de la Régénération des Forêts (DIARF)

Council Session Approved: Thirty-seventh (Yokohama, 2004)

Starting Date: January 2008

Duration:      Planned:      11 months  
                  To date:        68 months

Activities under this project have been completed since 2011. However, the Government of Gabon has not submitted the completion and audited financial reports of the project. The representative of Gabon will be requested to inform the Committee of the reason for the non-submission of these reports.

**2. PD 449/07 Rev.2 (M) Enhancing Forest Law Enforcement in Papua New Guinea**

Budget and Sources of Funding:

Total Budget:	US\$	739,040
Government of Japan:	US\$	350,040
Government of Australia:	US\$	50,000
Japan Lumber Importers' Association:	US\$	50,000
Government of U.S.A.:	US\$	23,000
Government of PNG:	US\$	222,000
PNG Industry:	US\$	44,000

Implementing Agency: Papua New Guinea Forestry Authority

Council Session Approved: Forty-third (Yokohama, 2007)

Starting Date: August 2010

Duration:       Planned:       24 months  
                  To date:         36 months

The project is aimed at increasing the contribution of the forest sector to PNG's national economy through enhanced market access and higher foreign exchange remittances, as well as further improving the sector's forest management practices by enhancing forest law enforcement and governance.

The project was approved and funded at the Forty-third Session of ITTC in November 2007 and the project agreement was signed in May 2008. Following the signing of the project agreement, the implementing agency had worked on the finalization of the project inception report incorporating the first Yearly Plan of Operation (YPO1). After the revised inception report incorporating YPO 1 as well as other relevant documents were finally submitted and approved, the first installment of ITTO funds for the project were disbursed to the implementing agency in December 2009. However, the implementation of the project suffered substantial delay due to problems related to the replacement of project staff and consultants. Eventually, actual implementation began in early August 2010.

Since the commencement of project implementation, progress has been made in respect of the following:

- The first progress report was submitted on 25 February 2011.
- The first PTC meeting was held in Port Moresby of PNG on 1 March 2011.
- The second installment of ITTO funds was disbursed on 11 May 2011.
- The second progress report was submitted on 7 September 2011.
- The third progress report was submitted on 21 March 2012.
- The second PTC meeting was held in Port Moresby of PNG on 21-23 March 2012.
- The third installment of ITTO funds was disbursed on 9 May 2012.
- The completion report and the technical reports were submitted in August 2013.

To date, progress towards the achievement of outputs is as follows:

- Meetings of the Project Coordinating Committee were held in the Forestry Authority and field trips were made to inspect project sites of the Cloudy Bay forest operations and work proceeded in the preparation of the tracking system software as well as liaison with stakeholders;
- The stakeholder consultation tools, techniques and milestones have been finalized with PNGFA counterparts for inclusion in the detailed Project Implementation Plan and the Roles & Responsibilities Matrix;
- The design of a database to capture timber products flow information has commenced;
- The software to be used for the system under development was prepared to a beta stage. Field visits were carried out to test the prototype software with the two partner companies, Cloud Bay Sustainable Forestry Ltd, and Stetten Bay Logging Company Ltd;

- The field trials of the software assisted greatly and several enhancements were identified. Subsequent to the field trials, the software was further developed to a pre-release version;
- User Acceptance Testing (UAT) was carried out on the pre-release version of the software. This was done by SGS, PNG FA, CBSF, and SBLC staff. The UAT was carried out on PDA units and also on web versions of the software;
- Feedback from the UAT was sent to Helveta Ltd to assist in the refinement of the pre-release software. A final version of the software was developed and manuals prepared for release during the training period in September 2011;
- The initial stakeholder consultations were also undertaken leading to the preparation of a Findings Report. This document provides a sound basis for the drafting of the PNG Timber Legality Standard, Industry Code-of-Conduct and Stakeholder Monitoring Module;
- The software system developed was implemented for testing purposes at the two test sites, Cloud Bay Sustainable Forestry Ltd, and Stetten Bay Logging Company Ltd;
- Field visits were carried out to assist in training and testing the users of the system;
- A number of implementation problems were resolved through field visits, with users gaining more experience in the use of the system;
- Staffs at the PNG FA were trained in the use of the new system for royalty assessment approval;
- The users have identified a number of issues which would require resolution in a full implementation of the system;
- The PDAs used in the pilot have shown some problems in field use, with users on occasion managing to delete the software. A full implementation would require the software to be better protected from accidental deletion;
- The initial scoping and framework setting activities have been completed in consultation with a reasonable cross-section of registered stakeholders through the scoping questionnaire, draft framework documents and national workshop;
- The research findings have led to the preparation of the 1st draft Timber Legality Standard, Industry Code-of-Conduct and Stakeholder Monitoring Module for project steering committee feedback, prior to wider circulation and field testing.

This project has experienced considerable delay in implementation due to the replacement of project personnel and in the preparation of the completion report, final financial audit and technical reports. The implementing agency has finalized and submitted the project completion report and the technical reports but is still working on the final financial audit report. In the event that the final financial audit report is submitted and deemed satisfactory prior to the Forty-seventh Session of the Committee, the Secretariat would present the project for consideration of the Committee under item 7 of its Agenda.

3. PD 599/11 Rev.1 (M) Development and Testing of National Forest Stock Monitoring System (FSMS) with Improved Governance Capabilities at all Levels of the Forest Administration (The Philippines)

## Budget and Sources of Funding:

## Phase III

Total Budget:	US\$	788,043
Government of Japan:	US\$	392,930
Government of Australia:	US\$	60,000
Government of U.S.A.:	US\$	25,000
Government of Korea:	US\$	20,000
Government of the Philippines:	US\$	290,113

Implementing Agency: Philippines Forest Management Bureau (FMB)

Approved: Spring 2011

Starting Date: June 2013

Duration: Planned: 18 months  
To Date: 2 months

The project is aimed at improving forest governance, institutional law enforcement capacity, stakeholder coordination and forest sector competitiveness through improved data management in the Philippines. Its specific objective is to develop and test an integrated, real-time, multi-tiered, online national Forest Stock Monitoring System (FSMS) with improved governance capabilities at all levels of the Forest Administration.

The project was approved and funded at the Forty-seven Session of ITTC in November 2011 and the project agreement was signed in November 2012. Following the signing of the project agreement, the implementing agency had been working on the finalization of the project inception report incorporating the detailed workplan. After the revised inception report as well as other relevant documents were finally submitted and approved, the first installment of ITTO funds for the project was disbursed to the implementing agency in May 2013, marking the official commencement of project implementation. The implementation of the project has commenced at its initial stage.

4. PD 620/11 Rev.1 (M) Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes (Germany)

## Budget and Sources of Funding:

## Phase III

Total Budget:	US\$	2,046,274
Government of Germany:	US\$	1,695,342
Government of U.S.A.:	US\$	100,000
Government of Australia:	US\$	30,000
Implementing Agency:	US\$	220,932

Implementing Agency: Johann Heinrich von Thünen Institute (vTI)

Approved: Autumn 2011

Starting Date: February 2012

Duration: Planned: 36 months  
To Date: 18 months

Although many legal instruments (EU timber trade regulation, US Lacey Act etc.) have been enacted to combat illegal logging and trade in illegally sourced timber, practical control mechanisms to identify tree species and geographic origin of wood and wood products are still lacking. The project will develop a species

identification and timber tracking system with DNA fingerprints and stable isotopes for three important timber tree species in seven African countries, namely Cameroon, Central African Republic, Democratic Republic of Congo, Republic of Congo, Gabon, Ghana and Kenya. The primary project focus is on the three target species chosen by timber producing country representatives, i.e., iroko (*Milicia excelsa*, *M. regia*), sapelli (*Entandrophragma cylindricum*) and ayou (*Triplochiton scleroxylon*). For these species, samples will be collected across their distribution area for the development of gene markers. The samples will be screened for DNA fingerprints and stable isotopes and provide a genetic and chemical reference database to control the country of origin. Using DNA-fingerprints a tree by tree approach to control the chain of custody will be applied for ayou and sapelli in cooperation with the Forestry Commission and the Forest Research Institute and timber companies in Ghana and Cameroon. Tools to identify the species will be further developed using both a wood anatomical approach and the DNA barcoding for 20 important African timber species. Technical support will be provided to three selected reference laboratories in West-Africa (Kumasi, Ghana), Central-Africa (Libreville, Gabon) and East-Africa (Nairobi, Kenya). Staff of these laboratories and particularly also from the other participating groups will be trained to apply DNA-techniques and wood anatomy to identify the tree species and to perform standard DNA tests to check the origin. The results of the project will be provided to the international coordination office for tree identification and origin assignment at Bioversity International in Kuala Lumpur, Malaysia. The project involves 14 collaborative agencies from Europe, Africa and Australia. Initialized during the pre-project under TFLET, the project will continue to seek additional funds to enlarge the scope and number of species investigated.

The implementation of the project has officially commenced on 1 February 2012. The technical coordinator of the project, Mr. Zoewinde Henri Bouda has commenced his work on 16 April 2012. The second and third installments of US\$ 232,160 (Feb 2013) and US\$ 100,000 (Aug 2013) have been transferred to the implementing agency. The annual financial audit was received and approved in March 2013.

The following activities have been implemented and completed:

- Kick-off meeting held in Kumasi, Ghana from 22-23 May 2012.
- First project PSC meeting held at Thuenen Institute, Grosshansdorf, Germany, 15-16 October 2012.
- Sampling of wood probes and cambium or leaves from 200 individual trees has been initiated for identification by wood anatomy and DNA barcode.
- Sampling of cambium or leaves from 4800 individuals trees and wood samples from 720 trees belonging to 3 species (Iroko, Sapelli, Ayou) initiated. Sampling in 240 locations, i.e., 20 samples for the genetics and 3 samples for the isotopes.
- MoUs have been signed between the Executing Agency and the following project partners:
  - University of Liège, Belgium – Sampling of wood, cambium or leaves of 210 individual trees; sampling of cambium or leaves from 4800 individual trees; wood sample from 720 trees belonging to 3 species (Iroko, Sapelli, Ayou)
  - Forestry Research Institute of Ghana (FORIG), Ghana – Host kick-off meeting; provide support to University of Liege during sampling in Ghana; contribution to the pilot study on DNA based species identification and timber tracking of Khaya at SAMARTEX in Ghana
  - Plant Genetic Diagnostics GmbH (PGD), Germany – Development of DNA barcodes for 21 taxa; blind testing using DNA barcodes of 21 taxa; contribution to the pilot study on DNA based species identification and timber tracking of Khaya at SAMARTEX in Ghana, gene marker development and optimization of existing gene markers (nSSRs, SNP) for Khaya sp; genotyping of 400 Khaya samples with optimized gene markers, conduct of a training course on the application of Khaya gene markers
  - TUEV Rheinland Agroislab GmbH, Germany – Stable isotope fingerprinting Iroko; blind testing based on stable isotope fingerprinting
  - University of Adelaide, Australia – Genmarker development iroko; training in skilled labs
  - Kenya Forestry Research Institute (KEFRI), Kenya – Operation of reference lab at KEFRI; ring testing
  - Josephinum Research (replacing the Austrian Institute of Technology), Austria – Stable isotopes fingerprinting Ayou; blind testing using stable isotopes fingerprinting
  - Natural Environment Research Council (NERC), UK – Training at NERC/CEH and in Africa; ring-testing for DNA barcoding and DNA fingerprinting
  - World Wildlife Fund (WWF), Germany - Sampling for blind testing of DNA barcodes; sampling for blind testing of genetic and isotopic reference database
  - Institut de Recherche en Ecologie Tropicale (IRET), Gabon – Operation of reference laboratory Libreville, Gabon

- Food and Environment Research Agency (FERA), UK - Stable isotope fingerprinting sapelli; blind testing with stable isotopes
  - Universite Libre Bruxelles (Nature +), Belgium – DNA fingerprinting iroko; blind testing with DNA fingerprinting
  - Training in African Laboratories
    - The first training workshop on the 'application of molecular genetic markers for timber tracking in Africa' was held at KEFRI, Nairobi, Kenya from 11-17 March 2013 (16 participants)
    - The second training workshop will be held in Libreville, Gabon from 25 - 27 November 2013 with focus on genetic data analysis. The workshop will be held in parallel to the 49th session of the ITTC
  - A side event on the project will be held in conjunction with the Forty-ninth Session of the Council including four presentations on different aspects of the project.
  - Back-to-back with the second training workshop, Bioersivity International will organize the African Regional Workshop on the Global Timber Tracking Network from 28 - 29 November 2013 in Libreville, Gabon.
  - The second meeting of the Project Steering Committee (PSC) will be held in Pointe Noire, Congo Brazzaville on 2 December 2013.
5. PD 621/11 Rev.3 (M) Traceability of Timber Produced by Forest Concessions and Native Communities in Madre de Dios and Ucayali (Peru)

Budget and Sources of Funding:

Total Budget:	US\$	627,157
Government of Japan:	US\$	200,000
Government of U.S.A.:	US\$	149,032
	US\$	278,125

Implementing Agency: Camara Nacional Forestal, Peru

Approved: Autumn 2012

Starting Date: September 2013 (expected)

Duration: Planned: 27 months  
To Date: 0 months

This project aims to promote the use of timber sourced from forests under sustainable forest management, with the aim of enhancing the transparency of timber marketing and improving forest governance in the Peruvian Amazon region through the participation of indigenous peoples and small and medium enterprises as key stakeholders in the conservation of forests.

Specific outputs of the project are: (i) Forest SMEs have adopted a timber traceability system and are marketing certified timber, (ii) Technical personnel of forest SMEs have developed the capacity required for adequate timber monitoring and control in production and marketing processes incorporating timber traceability, and (iii) Forest companies' business management capacity strengthened.

The project agreement was signed on June 2013 and the implementing agency was in the process of submitting the project inception report for the consideration of the Secretariat.

6. PD 678/12 Rev.1 (M) Establishment of a National Forest Statistics Information Management System in Benin

Budget and Sources of Funding:

Total Budget:	US\$	517,833
Government of Japan:	US\$	388,704
Government of Sweden:	US\$	10,000
Government of Benin:	US\$	119,129

Implementing Agency: Direction Generale des Forets et des Ressources Naturelles (DGFRN)

Approved: Autumn 2012

Starting Date: July 2013

Duration: Planned: 24 months  
To Date: 1 month

The first installment of funds had been disbursed to the implementing agency following the Government of Benin's compliance with all requirements under the project agreement to allow project implementation to commence. ITTO's approval was granted in August 2013 for the recruitment of all nominated project staff and for the purchase of all capital goods in accordance with the approved project budget. The implementation of the project has just commenced.

**[B] Projects Pending Agreement**

None.

**[C] Projects Pending Financing**

1. PD 124/01 Rev.4 (M) Promotion of Sustainable Management of African Forests (ITTO/ATO)  
Phase III Stages 2 & 3

Budget and Sources of Funding:

Total Budget:	US\$	1,118,144
[Stage 2]	US\$	600,000
ITTO Contribution:	US\$	600,000
[Stage 3]	US\$	518,144
ITTO Contribution:	US\$	518,144

Implementing Agency: ITTO and ATO

Council Session Approved: Thirty-second (Bali, 2002)

Duration: Planned: Stage 2 – 18 months      Stage 3 – 18 months

The Committee approved the further splitting of Phase III, Stage 2 of the project into new Stages 2 and 3 with budgets/durations of US\$600,000.00/18 months and US\$518,144.00/18 months, respectively, at its previous session. The Committee may wish to recommend that immediate funding be provided for the new Phase III Stage 2 of this project since Phase III Stage 1 has been completed [see document CEM-CFI(XLVII)/2] and any further delay in funding will cause significant disruption in the implementation of activities, including retaining the services of the project coordinator.

2. PD 686/13 Rev.1 (M) Enhanced Research and Promotion of Non-Traditional Broadleaved Timber Species in Honduras

Budget and Sources of Funding:

Total Budget:	US\$	563,095
ITTO Contribution:	US\$	408,285
Government of Honduras:	US\$	154,810

Implementing Agency: Fundación Centro de Utilización y Promoción de Productos Forestales (CUPROFOR)

Approved: Spring 2013

Duration: Planned: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2014.

3. PD 692/13 Rev.1 (M) Implementation and Operationalization of a National Information System for the Sustainable Management of Forest Resources (Côte d'Ivoire)

Budget and Sources of Funding:

Total Budget:	US\$	670,998
ITTO Contribution:	US\$	290,541
Government of Côte d'Ivoire:	US\$	380,457

Implementing Agency: Direction de l'Informatique, des Statistiques et des Archives du Ministère de l'Environnement, des Eaux et Forêts (DISA)

Approved: Spring 2013

Duration: Planned: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2014.

4. PPD 167/13 Rev.1 (M) Feasibility Study on the Certification of ONAB's National Plantations Estates (Benin)

Budget and Sources of Funding:

Total Budget:	US\$	113,294
ITTO Contribution:	US\$	88,794
Government of Benin:	US\$	24,500

Implementing Agency: Office Nationale des Bois (ONAB)

Approved: Spring 2013

Duration: Planned: 10 months

Financing for this pre-project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The pre-project will lose its status as an approved project on 30 November 2014.



**FOREST INDUSTRY****[A] Projects and Pre-projects under Implementation**

1. PD 73/89 (M,F,I) Assistance for Project Identification and Formulation (Global)

## Budget and Sources of Funding:

Total Budget:	US\$	3,767,970.32
Government of Japan:	US\$	1,216,900.00
Government of Denmark:	US\$	300,000.00
Government of Switzerland:	US\$	310,000.00
Government of U.S.A.:	US\$	155,000.00
Government of U.K.:	US\$	80,000.00
Government of Australia:	US\$	77,354.89
Bali Partnership Fund Sub-account B:	US\$	970,000.00
Private Sector:	US\$	658,715.43

Implementing Agency: ITTO Secretariat

Council Session Approved: Seventh (Yokohama, 1989)

Starting Date: April 1990

Proposed Duration: 2 years + annual extension

The objective of this project is to improve the project identification and formulation capability of personnel in ITTO producer member countries in order to expand their national capacity to invite investment and aid into the forestry sector. The importance of the project is inscribed in Decisions 2(X), 2(XI), 6(XIII), and 8(XVIII) of the Council, reminding and encouraging ITTO Members to use the expert facility available under the project to enhance their ability to identify and formulate sound projects.

The project is closely linked to other ITTO activities, particularly the Expert Panel and the Project Cycle consultancies, which together constitute a multiple approach to enhancing quality in the structure and implementation of the project cycle. Several independent consultancies to assist ITTO members in project formulation and several training workshops have been funded and organised under this project, respectively.

Activities that have been carried out include:

- Completion of Phase 3 of the REDD+ Feasibility Study in Indonesia, in cooperation with Marubeni/METI Japan.
- Engagement of consultants to assist member countries in the development of project proposals.

2. PD 39/93 Rev.4 (I) Ph.II The Development, Application and Evaluation of Biomass Energy through Briquetting, Gasification and Combustion of (Wood and Agricultural) Residue (Cameroon)

## Budget and Sources of Funding:

Total Budget:	US\$	1,129,550
Common Fund for Commodities:	US\$	791,550
Government of Cameroon:	US\$	338,000

Implementing Agency: Wood Promotion Center [Centre de Promotion du Bois (CPB)], Ministry of Forestry and Wildlife, Government of Cameroon

Council Session Approved: Forty-fifth (Yokohama, 2009)

Starting Date (Revived Project) : September 2010

Duration: Planned: 20 months  
To date: 35 months

The project was funded by the Common Fund for Commodities (CFC) and its implementation commenced in 1997, with the aim of introducing and transferring biomass energy technologies to the commercial sector in Malaysia and Cameroon. As recommended by the Committee at its XLI Session, a technical mission was dispatched to conduct an in-depth assessment of the implementation of the Cameroonian component of the project from 21 to 26 January 2008. On 27 June 2008, the Minister of Forests and Wildlife of Cameroon gave his concurrence to the report and recommendations of the mission and on 31 October 2008, the Managing Director of CFC agreed to the proposal of resuming the implementation of the Cameroonian component of the project.

The activities that have been carried out under the project work plan include:

- Technical literature review of the two bio-energy systems (briquetting and suspension burner);
- Development of design principles for the two bio-energy systems;
- Visit to Malaysia by four project experts (two from the briquetting sub-project and two from the suspension burner sub-project) for experience sharing with the experts from the Forest Research Institute of Malaysia (FRIM);
- Development of technical plans and engineering drawings of the two bio-energy systems; and
- Development of full engineering design documents for the two bio-energy systems.

The design architecture of the two bio-energy systems has been completed and the technical plans, engineering drawings, mechanical design of equipment components are being developed. However, the implementation of the project has been terminated following the objection of CFC to the request by the Government of Cameroon for the project's duration to be extended beyond its planned date of completion. As requested by the CFC, the project's completion and financial audit reports have been submitted. The project may be declared complete as soon as the CFC's notification of approval of the submitted reports is received by the Secretariat.

**3. PD 364/05 Rev.4 (I) Providing Village Communities with Basic Technological Training for Extracting Valuable Essential Oils from *Eucalyptus citriodora* Plantations in Rural Areas of Congo**

Budget and Sources of Funding:

Total Budget:	US\$	622,261
CFC:	US\$	480,511
Government of the Republic of Congo:	US\$	141,750

Implementing Agency: Service National de Reboisement (SNR)  
(National Reforestation Service)

Council Session Approved: Fortieth (Mérida, 2006)

Starting Date: March 2010

Duration: Planned: 24 months  
To date: 43 months

The project aims at alleviating poverty in the rural areas of Congo, by making use of the existing eucalyptus plantations in the county and by providing local village with know-how and technologies for extracting essential oils, through two specific objectives:

- Specific Objective 1: To provide village community members with technologies and expertise required to extract essential oils; and
- Specific Objective 2: To create a marketing chain for essential oils.

Progress has been made towards the achievement of the specific objective 1, as follows:

- Outputs 1.1 and 1.2 "Development Programme for *Eucalyptus citriodora* essential oil extraction prepared" and "Trainers trained in essential oil extraction technologies". Training was conducted in two modules by one of the project partners, 'Pôle d'Excellence Régional' of the Faculty of Science, University of Brazzaville' (PER), on techniques for essential oil extraction. A total of 14 trainers (from

both Congo and DRC) were engaged by the project to conduct further training at the local villages. The first module conducted in June 2010 was on the fundamentals of distillation techniques for aromatic plants, while the second module conducted in October 2010 was on theory and hands-on training on hydrolysis for *Eucalyptus citriodora* essential oils and their oil applications.

In order to provide training to the local villages on the extraction of essential oils, five artisanal extractors were placed in the selected sites of Ossio, Odziba, Loudima, Loandjili in the Republic of Congo, and Kinzono in DRC. Training in the villages was conducted by the trainers formed at PER and a total of 56 villagers in the Republic of Congo and 42 in DRC have been trained.

- Output 1.3 “Production process organized”. In order to shift the production method from artisanal to semi-industrial, Prof. M. MOUDACHIRO, an expert in extraction of essential oils based in Benin was engaged as international consultant, who assessed the availability of raw material (biomass from *Eucalyptus citriodora* plantations), the current state of production and the disposition for the construction and installation of semi-industrial extractors in Congo.

Based on his assessment, the consultant noted that the availability of raw materials from plantations varies depending on the sites, since some plantations are older while some have nurseries and other plans for expansion. However, there is ample availability of plantations to provide the necessary biomass for the extraction of essential oils. As for the production of the essential oils, he pointed out that production through the artisanal extractor is quite low, and even though the quality is good for the local market, it varies from site to site. The consultant also assessed that conditions were good for commissioning semi-industrial extractors locally.

To-date 60 ha of village plantations of *Eucalyptus citriodora* have been established under the project in the Republic of Congo, while 37 ha of plantations are being developed.

Five semi-industrial extractors were commissioned in December 2012, and were delivered in the first quarter of 2013, each with a capacity of 1 m<sup>3</sup> or 1,000 liters for the boiler and the tank, and can provide a yield of approximately 6%, indicating that the villages could produce approximately 200 liters by the end of 2013. Additional advantages of the semi-industrial extractors include the reduction of time in the extraction process to some 8 hours from 14 hours using artisanal extractors.

As for the outputs under specific objective 2, namely “Market for *Eucalyptus citriodora* essential oils organized”; and “Essential oils production and marketing techniques disseminated through extension work”, implementation of activities have commenced and are on-going.

In view of the slow progress in the implementation of the project, the implementing agency noted that the targets set in the logical framework matrix are too high and unrealistic and has requested that those targets be reviewed under a second extension of project duration without additional funds till February 2014. The request for extension has been submitted to CFC for approval.

#### 4. PD 433/06 Rev.3 (I) Sustainable Model for the Brazilian Wood Flooring Production Chain

##### Budget and Sources of Funding:

Total Budget:	US\$	821,787
Government of Japan:	US\$	466,927
Government of Switzerland:	US\$	50,000
ANPM:	US\$	304,860

Implementing Agency: National Hardwood Flooring Association (ANPM)

Council Session Approved: Spring Project Cycle, June 2008

Starting Date: May 2011

Duration: Planned: 30 months  
To date: 27 months

This project pertains to the industrial production chain of wood flooring, with activities covering from forest management to manufacturing process and product utilization. Its development objective is to contribute to the promotion and sustainable utilization of forest resources from the Brazilian tropical forests.

The specific objective of the project is to increase the efficiency in forest resource utilization by the wood flooring industry, integrate extraction and utilization of commercial and lesser used timber species (LUS), improve drying and manufacture processes, add value and quality to the product, promote residues utilization and provide social benefits to industry employees.

Progress towards the achievement of the outputs is as follows:

- Output 1 “Proposing a management model to integrate the exploration and use of lumber from commercial and less used species”. The LUS have been identified and are being laboratory tested (specific gravity, shrinkage, Janka hardness and kiln drying behavior, superficial cutting and finishing, impregnation and densification, and heat treatment) to determine their physical-mechanical properties in forest product laboratories of the Brazilian Forest Services and the University of Sao Paulo. Test on 6 timber species have been completed.

The selected species are:

- Angelim vermelho - *Dinizia excelsa* Ducke
- Itaúba amarela - *Mezilaurus lindaviana* Schwacke & Mez
- Cedrinho - *Erismia uncinatum* Warm.
- Cupiúba - *Goupia glabra* Aubl.
- Pequiá - *Caryocar villosum* (Aubl.) Pers.
- Angelim da mata - *Hymenolobium excelsum* Ducke
- Maparajuba - *Manilkara bidentada* (A. DC.) A. Chev.
- Timborana - *Piptadenia gonoacantha* (Mart.) J.F.Macbr.
- Sucupira amarela - *Bowdichia nitida* Spruce ex Benth.
- Tachi preto - *Tachigali myrmecophyla* (Ducke) Ducke
- Tanibuca folha pequena - *Buchenavia parvifolia* Ducke
- Mandioqueira escamosa - *Qualea paraensis* Ducke
- Castanha sapucaia - *Lecythis usitata* Miers
- Jarana amarela - *Lecythis poiteaui* O.Berg

As for pilot production of wood flooring made from the LUS, 11 (out of 14) timber species have been processed into boards for manufacturing testing. Remaining activities under this output, include the grouping of LUS according to their potential uses, pilot production of wood flooring made of the LUS, and proposed silvicultural management for the LUS. The delay in completing these activities is mainly due to difficulties and bureaucracy encountered in obtaining governmental authorization for harvesting and transporting the timber to the laboratories and the industries, as well as longer period for drying some of the selected species.

- Output 2 “Proposing a model to reach more efficient and integrated manufacturing”, the revision of appropriate literature and surveys to the flooring industries in relation to the use of wood residues has been concluded. Information obtained has been used for preparing posters, training manuals, a project website ([www.pimads.org](http://www.pimads.org)), a project video, and design of training workshops on timber drying, quality certification programme, management of timber residues and basics for wood flooring installation. Training workshops were conducted in July 2013 in Sao Paulo and Belem and more training activities are scheduled to take place in September 2013, during the *Second Week of Timber Technology*. Activities related to the testing of electrical moisture meters have led to the production of a technical report on calibration curves for electrical moisture meter. Activities related to timber drying and superficial cutting and finishing are on-going.
- Output 3 “Quality certification programme”. The revision of international standards and specifications for solid wood flooring has been completed and the “Quality Certification Programme” is being finalized by researchers and officials from INMETRO (National Institute of Metrology, Quality and Technology). The first audit for the quality certification programme was also carried out at the MONET factory in the State of Sao Paulo. Remaining activities under this output include the preparation of dissemination materials, training on the “Quality Certification Programme” scheduled for September 2013 and further audits of the wood flooring industries affiliated to ANPM. The implementing agency has been carrying out additional activities such as dendro-chronological analysis and thermomechanical modification of

the LUS. It has also presented the results of the project research at various fora including FEICON (Fair on civil construction), the Forest Forum, and the Second Week of Timber Technology.

Expenditures under the project are kept within the budget. The implementing agency foresees the need for an extension of the duration of the project without additional funds in order to complete the remaining project activities.

**5. PD 457/07 Rev.5 (I) Operational Supportive System for Promoting the Further Processing of Timber in Five Countries of the Congo Basin (Gabon)**

Budget and Sources of Funding:

Total Budget:	US\$	1,887,714
Common Fund for Commodities:	US\$	1,253,345
Economic Community of Central African States (ECCAS):	US\$	634,369

Implementing Agency: Economic Community of Central African States (ECCAS)

Council Session Approved: Forty-fourth (Yokohama, 2008)

Starting Date: October 2011

Duration:	Planned:	48 months
	To date:	22 months

This project aims to socialize and implement a supportive mechanism for stakeholders in the timber processing industries so as to boost the countries' potential of exports of processed timber products by small and medium enterprises (SMEs), through the:

- Setting up a light and functional structure for supporting further processing of timber (FPT);
- Conduct of a baseline study of the timber processing value chain and assessment of its potential for growth; and
- Establishment of an action plan to address the needs of the SMEs and artisanal sector in order to up-grade them in the value chain through value addition, employment generation and increase in income.

In the past 22 months, there was no progress to report in the implementation of the project as the implementing agency has not been able to hire the Assistant to the Regional Coordinator and the National Coordinators who are to carry out the implementation of activities in the field. In an effort to overcome the delay, the Secretariat proposed a candidate to ECCAS who was not selected for not being a nationality of ECCAS' member states.

A note verbale was sent by the Executive Director to the Secretary General of ECCAS appealing for his assistance to expedite the resumption of project implementation. The delegation of Gabon may be invited to brief the Committee on the latest status of the implementation of this project.

**6. PD 506/08 Rev.1 (I) Reviving Forestry Education in Liberia**

Budget and Source of Funding:

Total Budget:	US\$	352,249
Government of Japan:	US\$	212,522
Government of U.S.A.:	US\$	80,000
Government of Liberia (FDA and Ministry of Education):	US\$	59,727

Implementing Agency: The Forest Development Authority (FDA) and the Ministry of Education (MoE), supporting the Forestry Training Institute (FTI), Tubmanburg

Council Session Approved: Forty-fourth (Yokohama, 2008)

Starting Date: August 2009

Duration: Planned: 24 months  
To date: 48 months

This project is aimed at supporting the reestablishment of forest education activities for middle level forestry technicians of the Forestry Training Institute (FTI) located in Tubmanburg. This involves the establishment of a functional curriculum, training of trainers and immediate practical training of the currently registered students of FTI. In addition, the project will support a national working group to conduct a strategic process on overall forest education in Liberia.

According to the latest progress report received from the implementing agency covered the project's activities until 24 August 2012, approximately 86% of the activities have been completed. A request for the extension of the project duration to March 2014 has been submitted in August 2013 by the implementing agency. However, the implementing agency has been requested to provide clarification on several issues regarding project implementation.

The delegation of Liberia may be invited to provide an update and clarification on the remaining activities and financial situation of the project.

**7. PD 521/08 Rev.3 (I) Participatory Forest Management for Sustainable Utilization of Non Timber Forest Products (NTFP) Surrounding the Protected Area of Rinjani and Mutis Timau Mt, Nusa Tenggara Indonesia**

Budget and Sources of Funding:

Total Budget:	US\$	617,574
Government of Switzerland:	US\$	400,000
Government of Japan:	US\$	45,187
Government of U.S.A.:	US\$	45,187
DG of Land Rehabilitation and Social Forestry:	US\$	31,200
WWF and Forestry Service of West Nusa Tenggara Province:	US\$	96,000

Implementing Agency: Directorate General of Watershed Management and Social Forestry, Ministry of Forestry in collaboration with WWF Indonesia Nusa Tenggara Programme and Forestry Service of West Nusa Tenggara Province

Council Session Approved: Spring Project Cycle, April 2010

Starting Date: June 2011

Duration: Planned: 24 months  
To date: 26 months

This project is aimed at improving participation of local communities in the sustainable utilization of Non Timber Forest Products (NTFPs) for the conservation of the Rinjani and Mutis Timau Mountains Protected Area in compliance with ITTO Policy Development Series No. 15 (Criteria and Indicators for the Sustainable Management of Natural Tropical Forests). The result of this project will also contribute to the sustainable management of the protected area in Nusa Tenggara Indonesia. The project entails the achievement of two outputs: (1) capacity of local communities in obtaining the permit for the utilization of NTFPs increased through a series of trainings, development of a model for small scale forest economy and a series of extension for improving awareness of ESE (Economic, Social and Ecological) benefits of the protected area; and (2) plan for the more economically viable of NTFPs elaborated through a participatory process.

Almost all of the project's activities have been carried out. Progress has been made towards the achievement of the specific objective, as follows:

- (a) Conducting training in participatory forest management for sustainable forest utilization of NTFP's in the protected area. Trainings of facilitators for empowering community groups in NTFPs management have been conducted involving 53 participants (villagers and government officials). The developed training modules have been used as references by extension officers at the district level (North, Central and TTS Districts).
- (b) Developing models for small-scale forest economy dealing with NTFP's for income generation of local communities in pilot villages. Six alternative models have been developed, namely home industry, community productive union, cooperative, contractual partnership, production centre, and networking. Through intensive consultations with the local governments, agreement has been reached for three models (community productive union, cooperative, and networking) to be implemented. The project has facilitated the establishment of two cooperatives in North and Central Districts.
- (c) Developing management plans for the sustainable utilization of NTFP's using updated and reliable information through a participatory process. Two management plans have been developed in the North and Central Districts. Following the accomplishment of the plans, two business plans for candlenuts and honey have also been finalized.
- (d) A study on 'Policy Analysis for the development of sustainable NTFP in East and West Nusa Tenggara' has been accomplished.

8. PD 540/09 Rev.2 (I) Support to Improve the Productivity of the Peruvian Timber Industry for the Production of Higher Value-Added Products

Budget and Sources of Funding:

Total Budget:	US\$	873,440
Government of Switzerland:	US\$	230,000
Government of Japan:	US\$	218,362
National Chamber of Forestry	US\$	425,078

Implementing Agency: National Chamber of Forestry of Peru

Council Session Approved: Autumn Project Cycle, April 2011

Starting Date: November 2012

Duration:	Planned:	27 months
	To date:	9 months

This project aims at improving the level of efficiency in the wood and furniture industries, and thereby increasing the volume and value of their exports, by linking the sustainable management of 12 million hectares of productive forests into the supply chain.

The specific outputs of the project are: (i) improved business management and marketing, (ii) upgraded timber industry with value-added product processing, and (iii) increased export of timber products and furniture.

Progress has been made towards the achievement of the specific objective, as follows:

- Output 1 “Timber products produced and marketed according to quality standards, quantity and cost requirements of the national and international markets”: Introduction workshops to promote high added value in the timber industries have been carried out in the cities of Puerto Maldonado, Madre de Dios, Tingo Maria, Pucallpa and Lima. Training courses on financial mechanism have been carried out for timber industries in the cities of Puerto Maldonado, Pucallpa and Aguyatia. Training workshops on business management have been carried out directly at the facilities of the timber industries, covering topics such as production cost, health and safety at the work place, and good environmental practices.

To date, eight of the thirty timber industries targetted have received technical assistance in timber sawing, timber drying, moulding, and manufacturing of panels.

- Output 2 “Industrialists identify with their business management role for the sustainable and efficient use of timber resources”. Courses on forest certification and chain of custody (CoC) have been conducted for timber industries in the city of Puerto Maldonado and with the Native Community of Sinchi Roca. To date, 10 timber industries have been identified for assistance in the development of business plans.

Activities for outputs 3 and 4 some coordination activities have just started.

9. PD 600/11 Rev.1 (I) Model Capacity Building for Efficient and Sustainable Utilization of Bamboo Resources in Indonesia (Indonesia)

Budget and Sources of Funding:

Total Budget:	US\$	872,032
Government of Japan:	US\$	287,095
Government of Switzerland:	US\$	150,000
Government of Australia:	US\$	100,000
Government of Indonesia:	US\$	334,937

Implementing Agency: Directorate General of Watershed Management and Social Forestry (DGWMSF), Ministry of Forestry in collaboration with Bangli District Forestry Agency (BDFA)

Council Session Approved: Spring Project Cycle, May 2011

Starting Date: October 2013 (expected)

Duration: Planned: 36 months  
To date: 0 month

The project is aimed at initiating the enhancement of national capacity in bamboo industry development through the development of model capacity building in Bali. The planned outputs of the project are: i) investment in bamboo industry promoted; ii) institutional framework for bamboo industry development enhanced; and iii) participation of local communities in bamboo industry development increased. The basic notion underlying the project design is that increased rate of utilization of bamboo resource should increase availability of substitutes for wood products and augment income of the poor thus lessening pressure on forest resources and that increased utilization can only be achieved and sustained through enhanced capacity in both bamboo resource-based development and in efficient utilization of the resource.

Following the request made by the Ministry of Forestry of Indonesia, the implementing agency of the project has been changed from the Directorate General of Watershed Management and Social Forestry to the Forest Research and Development Agency. The new implementing agency is finalizing the project inception report.

**[B] Projects and Pre-projects Pending Agreement**

None.



**[C] Projects and Pre-projects Pending Finance**

1. PD 549/09 Rev.3 (I,F,M) Provenance Evaluation, Wood Technological Characterization and Market Survey for Balsawood (*Ochroma pyramidale* Cav.) in the Lacandon Forest, Chiapas, Mexico

Budget and Sources of Funding:

Total Budget:	US\$	885,230
ITTO contribution:	US\$	635,918
Government of Mexico	US\$	249,312
Other sources:		

Implementing Agency: ETNOBIOLOGÍA PARA LA CONSERVACIÓN A. C.

Council Session Approved: Spring Project Cycle, April 2012

Duration: 36 months

The project was resubmitted pursuant to the sunset provisions [Decision 2(X) in document ITTC(X)/15] and was approved at the Spring Project Cycle 2012. Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2013.

2. PD 608/11 Rev.1 (I) Life Cycle Assessment-Based Initiative for Carbon Foot Print Reduction and Improved Utilization of Tropical Timber Products from Malaysia (Malaysia)

Budget and Sources of Funding:

Total Budget:	US\$	992,349
ITTO contribution:	US\$	607,349
Government of Malaysia:	US\$	265,000
Other sources:	US\$	120,000

Implementing Agency: Forest Research Institute of Malaysia (FRIM)

Council Session Approved: Spring Project Cycle, April 2012

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2013.

3. PD 612/11 Rev.2 (I) Rural Community Development through Efficient Charcoal and Briquette Production from Logging and Corn Biomass Residues in the Afram Plains District of the Republic of Ghana (Ghana)

Budget and Sources of Funding:

Total Budget:	US\$	754,692
ITTO contribution:	US\$	550,692
Government of Ghana:	US\$	204,000

Implementing Agency: KOFORIDUA POLYTECHNIC in collaboration with Forestry Research Institute of Ghana (FORIG)

Council Session Approved: Spring Project Cycle, April 2012

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2013.

4. PD 655/12 Rev.1 (I) Capacity Building of the Builders' Woodworks Industry in the Philippines

Budget and Sources of Funding:

Total Budget:	US\$	576,430
ITTO contribution:	US\$	510,999
Government of the Philippines:	US\$	65,431

Implementing Agency: Forest Products Research and Development Institute – Department of Science and Technology

Council Session Approved: Autumn Project Cycle, October 2012

Duration: 30 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 31 May 2014.

5. PD 661/12 Rev.1 (I) Towards Sustainable Utilization of Bamboo Resources in Ghana: Development of Glued Bamboo Beams and Boards for Affordable Housing and Furniture in Ghana through Collaboration with Local Communities in Two Districts

Budget and Sources of Funding:

Total Budget:	US\$	701,802
ITTO contribution:	US\$	577,527
Government of Ghana:	US\$	124,275

Implementing Agency: Forest Research Institute of Ghana

Collaborating Agencies: BFH Switzerland  
Kwame Nkrumah University of Science and Technology

Council Session Approved: Autumn Project Cycle, October 2012

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 31 May 2014.

6. PD 671/12 Rev.1 (I) Boosting Investments in the Processing and Marketing of Forest Products in Atalaya (Peru)

Budget and Sources of Funding:

Total Budget:	US\$	1,274,516
ITTO contribution:	US\$	993,438
Government of Peru:	US\$	129,000
HELVETAS Swiss Intercooperation:	US\$	152,078

Implementing Agency: HELVETAS Swiss Intercooperation

Council Session Approved: Autumn Project Cycle, October 2012

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 31 May 2014.

7. PD 687/13 Rev.1 (I) Strengthening the Performance of the Wood Processing Sector in Guyana, through Building Local Capacity and the Enhancing National Systems that Promote Forest Products Trade and Sustainable Utilization of Forest Resources

Budget and Sources of Funding:

Total Budget:	US\$	348,693
ITTO contribution:	US\$	250,068
Government of Guyana:	US\$	98,625

Implementing Agency: Guyana Forestry Commission

Council Session Approved: Spring Project Cycle, April 2013

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2014.

8. PD 689/13 Rev.1 (I) Promoting Biological and Non-Biological Agent Prevention and Control Techniques in Mechanical Timber Processing in Peru

Budget and Sources of Funding:

Total Budget:	US\$	708,874
ITTO contribution:	US\$	456,696
APROFU/UNU contribution:	US\$	252,178

Implementing Agency: Asociación de Productores Forestales de Ucayali (APROFU)

Collaborating Agencies: Universidad Nacional de Ucayali (UNU)  
Dirección General Forestal y de Fauna Silvestre (DGFFS)

Council Session Approved: Spring Project Cycle, April 2013

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2014.

9. PD 700/13 Rev.1 (I) Development of Intra-African Trade and Further Processing in Tropical Timber and Timber Products – Phase I

Budget and Sources of Funding:

Total Budget:	US\$	6,274,545
ITTO contribution:	US\$	5,159,245
Participating Governments:	US\$	297,000
Private Sector:	US\$	818,300

Implementing Agency: ITTO

Council Session Approved: Spring Project Cycle, April 2013

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project on 30 November 2014.

10. PPD 161/12 Rev.1 (I) Formulation of a Project Proposal for the Development of the Tara (*Caesalpinea Spinosa*) Production Chain in the Andean Region (Peru and Ecuador)

Budget and Sources of Funding:

Total Budget:	US\$	120,571
ITTO contribution:	US\$	86,076
PRONATURALEZA contribution:	US\$	34,495

Implementing Agency: PRONATURALEZA

Council Session Approved: Autumn Project Cycle, October 2012

Duration: 6 months

Financing for this pre-project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved pre-project on 31 May 2014.

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