

TWELFTH SESSION
6-14 May 1992
Yaoundé, Cameroon

DECISION 5(XII)

FURTHER IMPROVEMENT OF THE PROJECT CYCLE

The International Tropical Timber Council,

Recalling Decision 2(X), which temporarily continued the Expert Panel for the Technical Appraisal of ITTO Project Proposals and introduced important adjustments to the Project Cycle;

Further recalling Decision 2(XI) which rationalised aspects of the Project Cycle and urged Members to submit project proposals which conform with ITTO Member Countries' strategic plans and the Council's established priority areas for achieving trade in tropical timber from sustainably managed resources by the Year 2000;

Reaffirming its continuing commitment to improve the Project Cycle;

Noting the excellent work of the Independent Consultants on project work and project cycle manuals as contained in ITTC(XII)/6;

Further noting the recommendations of the Expert Panel on Project Appraisal;

Recognising that additional decisions and actions will be required to address the recommendations of the Independent Consultants and to further improve the project cycle;

Invites Member Governments to submit written comments to the Secretariat on the "Report of the Independent Consultants on Project Work and the Project Cycle Manuals" to facilitate further discussion by the Council at its next Session;

Decides to introduce modifications to the Project Cycle as indicated in the Annex for a trial period of one year, subject to review at ITTC(XIV), to reduce the growing workload on Committees and the Council, to encourage Members to refine project proposals as appropriate, to improve financing procedures, to improve the present timetable for project approval and to strengthen the capacity of the Secretariat;

Also decides, in view of the time required to make the full report of the Independent Consultants available to Members in all working languages of the ITTO, to consider remaining elements of the final report at the Thirteenth Session of the ITTC related to the manual for project formulation, procedures for project monitoring, and review, guidelines for project evaluation, procedures and related timetable for appraisal and approval, guidelines for local community participation in the project cycle, guidelines to take account of the environmental impact of projects, and strengthening the Secretariat;

Further decides to request Member Governments to consider the benefits of unearmarked pledges to the Special Account for high priority projects and pre-projects that contribute directly to progress towards Target 2000.

ANNEX TO DECISION ITTC(XII)/16
FURTHER IMPROVEMENTS OF THE PROJECT CYCLE

Reduction of workload on Committees and the Council:

1. The expedited procedures of Annex 2 of Decision 2(X) is hereby revised as follows: Pre-Projects and Projects of \$75,000 or less can be approved by the Executive Director with the proviso that these projects are submitted to the Expert Panel and via the Permanent Committees are reported on at the next available Council session.
2. The delegated authority given to the Executive Director to modify pre-projects and project budgets, with the formal consent of donors for earmarked funds, is changed from \$20,000 to \$50,000 per year, or 5% of the project budget, whichever is less.

Modification of project proposals:

3. The Executive Director is requested to observe rigorously Decision 2(X).
4. Project Appraisal Expert Panels will recommend for circulation all those project and pre-project proposals which in their opinion meet project document requirements. For those project and pre-project proposals that do not meet project document requirements, and for which additional documentation is not received by the Secretariat in time for circulation prior to the next Council Session, the project and pre-project documents will only be circulated at the following Council Session or Sessions.
5. Project proposals which have been revised in response to recommendations of the Expert Panel will be considered by the Committees before other project proposals, followed by project proposals which stem from approved pre-projects.

Urgent and unexpected proposals:

6. Those urgent ITTO proposals which arise unexpectedly and therefore cannot follow the full project cycle will be considered by the Council/Committees only if they are sponsored by at least three producers and three consumers, are justified by a written proposal conforming to the project document format, and are accompanied by reasons why the proposal cannot await scrutiny by the next Expert Panel meeting.

Timetable for project approval and venue:

7. The deadline for submission of project documents, including those approved under paragraph 1 above, will be twenty (20) weeks prior to the next Council session.
8. Twelve (12) weeks will be allowed for the work of the Secretariat and the Expert Panel, including time for transmission of documents.
9. The Executive Director should take into account Decision 2(X) regarding the venue of future Panel meetings which provided for the rotation of venue between Yokohama and the three producing regions.

Strengthening Secretariat capacity:

10. As financial resources permit, the Executive Director is authorised to:
 - a. develop and install a management and financial information system drawing on the recommendations of the Report of the Independent Consultants and provide appropriate training in the use and maintenance of the system;
 - b. recruit project support staff to be financed from the Special Account;
 - c. fund the costs of the Expert Panel on Project Appraisal from the Special Account;
 - d. debit a 5% allocation [or such higher percentage up to 10%, as provided for in Decision 5(XI), where ITTO is the Executing Agency] for administrative costs for new projects and pre-projects with the first tranche of expenditure, with any unspent part carried forward with interest for use in subsequent years.

This provision is effective for all disbursements from the date of adoption.
