

# ITTO

# Sustaining Tropical Forests

Annual Report 2009



INTERNATIONAL TROPICAL TIMBER ORGANIZATION

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## **ITTO Annual Report 2009**

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

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# Message from the Executive Director



Emmanuel Ze Meka

In 2009, tropical forests continued to attract attention and dominated the international debate on forests. ITTO, the only inter-governmental organization operating on a legally binding agreement to promote the conservation and sustainable management, use and trade of tropical forest resources was not left out in these debates. The Organization actively participated in many international fora and continued its cooperation with a number of international institutions, in particular members of the Collaborative Partnership on Forests (CPF). Collaborations with the FAO and the UNFF were particularly active. In March 2009, ITTO took an active part in the FAO Committee on Forestry (COFO) meeting. The COFO meeting focused particularly on the issue of climate change. On behalf of CPF members ITTO intro-

duced the first element of the Strategic Framework for Forest and Climate Change: Sustainable Forest Management as an Effective Framework for Forest-based Climate Change Mitigation and Adaptation. The COFO meeting was also an excellent opportunity for ITTO to inform the international community on the recent launching of the ITTO Thematic Programmes during a Side-event. During the COFO meeting, ITTO, in cooperation with IUCN and with the participation of the CBD, officially launched the ITTO/IUCN Guidelines for the Conservation and Sustainable use of Biodiversity in Tropical Timber Production Forests.

UNFF 8 was held amidst the shock of the global economic crisis. ITTO was invited to address the Eight Meeting of the UNFF on the issue of “The Financial Crisis and Sustainable Forest Management: Threat and Opportunity”. The global economic crisis, which occurred in the second quarter of 2008, had severely affected the tropical timber economy. In tropical countries, the combination of reduced demand for timber and timber products in major markets such as USA and Europe, and the reduced bank lending due to more stringent regulatory requirements had prompted many industries to drastically reduce their workforce and to defer or scrap investments. Many industries had closed down, particularly in Africa where in some countries more than 50% of the industries had closed down.

In 2009, cooperation with CITES expanded with the full involvement of all target States (Cameroon, Congo, Democratic Republic of Congo, Indonesia, Malaysia, Bolivia, Brazil and Peru) in order to build capacity in range states to implement CITES listing of timber species.

The World Forestry Congress was another major event in which ITTO took an active part in 2009. ITTO, as an active member of the Steering Committee of the World Forestry Congress, provided ideas and inputs for its organization. ITTO was also invited to address the Congress on “Sustainable Forest Management in the Tropics: a Road to Development”. The Congress also provided ITTO the opportunity, at a Side-event, to discuss and show-case its achievements with regard to sustainable forest management, forest industry

and the international timber trade in its member countries and also addressed participants on the issue of forest certification and trade. The Congress also provided ITTO the opportunity to launch its Technical Series on "Forest Plantations in the Tropics," which encompass a host of opportunities for the rural communities.

In 2009, at the invitation of the Government of Cameroon, an important international conference on "Forest Tenure, Governance and Enterprise: New opportunities for Central and Western Africa" was organized by ITTO in Yaoundé on 25-29 May 2009. The conference attracted more than 250 participants from Africa and around the world and highlighted, once more, the importance of tenure and community' rights on sustainable forest management, noting that Africa was still lagging behind the other tropical regions. The conference also recognized the relevance of tenure and community rights in the strategies to combat climate change and noticed the strong involvement of women in the debate, followed by a powerful declaration by African women over their concerns on land tenure and governance and on their insufficient involvement in decisions pertaining to the management of forests, including in the development of community enterprises.

One of the biggest challenges in 2010 would be the entry into force of the ITTA, 2006 and the implementation of the thematic programmes, one of the features of the ITTA, 2006. With the adoption of Decisions 9(XLIV) and 10(XLIV) in November 2008 to implement, on a pilot basis, thematic programmes in the following areas:

Forest Law Enforcement, Governance and Trade; Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests; Community Forest Management and Enterprises; Trade and Market Transparency; and Industry Development and Efficiency, there had been a renewed sense of optimism among member countries. This optimism was amplified in November 2009 when additional funds were pledged for the implementation of these thematic programmes. The thematic programmes have the potential to considerably increase the Organization's funding base and accelerate the achievement of concrete results in the management of tropical forests.

The challenges are many, the expectations are high, and ITTO's ambition is to continue to support its member countries through policy work and field activities in order to promote the conservation and sustainable management, use and trade of tropical forest resources. ITTO is highly indebted to the many international, regional and national organizations and institutions which have continued their collaboration with us in 2009 and look forward to more collaboration in the future. The Organization is also highly indebted to the many donors who have supported the activities of the Organization in 2009.

Emmanuel Ze Meka



# ACRONYMS

AIT	Asian Institute of Technology
ANCON	National Association of Nature Conservation
APAFRI	Asia Pacific Association of Forestry Research Institutions
AR-CDM	Afforestation and Reforestation component of the Clean Development Mechanism of the Kyoto Protocol
ASEAN	Association of South-East Asian Nations
ATIBT	International Technical Tropical Timber Association ( <i>Association Technique Internationale des Bois Tropicaux</i> )
ATO	African Timber Organization
BWP	Biennial Work Programme
CAFOC	Coordinating Association of Indigenous and Community Agro-forestry in Central America
CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism of the Kyoto Protocol
CEEAC	Economic Community of Central African States
CFE	Community Forest Enterprise
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
C&I	Criteria and indicators for sustainable forest management
CLI	Country-Led Initiative
CNEARC	Centre National d'Études Agronomiques des Régions Chaudes
COFO	FAO Committee on Forestry
COMIFAC	Forestry Commission of Central Africa
COP	Conference of Parties
CPF	Collaborative Partnership on Forests
CRIWI	Research Institute of Wood Industry, Chinese Academy of Forestry
CSAG	Civil Society Advisory Group
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FGR	Forest Genetic Resources
FPCD	Foundation for People and Community Development Inc (PNG)
FPRDI-DOST	Forest Products Research and Development Institute-Department of Science and Technology
FRIM	Forest Research Institute Malaysia
FSC	Forest Stewardship Council
GFMC	Global Fire Monitoring Center
GLOMIS	Global Mangrove Information System

GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HORT	Household-Oriented Reforestation Techniques
IFFM	Integrated forest fire management
IISD	International Institute for Sustainable Development
INRENA	Peru National Institute for Natural Resources ( <i>Instituto Nacional de Recursos Naturales</i> )
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUFRO	International Union of Forestry Research Organizations
IUCN	International Union for the Conservation of Nature- World Conservation Union
LULUCF	Land Use, Land Use Change and Forestry
MBNP	Meru Betiri National Park
MDGs	Millennium Development Goals
MINEEF	Ministry of Environment, Waters and Forests of Côte d'Ivoire
NGO	Non-Governmental Organization
NTFP	Non-Timber Forest Products
RECOFTC	Regional Community Forestry Training Center
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDDES	Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
RFID	Radio Frequency Identification
SADC	Southern African Development Community
SFM	Sustainable Forest Management
SODEFOR	Societe De Development Des Forets of Côte d'Ivoire
SPC	Secretariat of the Pacific Community
TAG	Trade Advisory Group
TICAD	Tokyo International Conference on African Development
TFLET	Tropical Forest Law Enforcement and Trade
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UN-ISDR	United Nations Inter Agency Task Force for Disaster Reduction
UPLBCFNR	University of Philippines Los Baños-College of Forestry and Natural Resources
VPA	Voluntary Partnership Agreement
WCMC	World Conservation Monitoring Center
WFC	World Forestry Congress
WFW	World Forestry Week



Congolaise Industrielle du Bois carrying out forest inventory in one its forest concessions  
Photo Credit: Congolaise Industrielle du Bois

ITTO Project on Global Mangrove database and Information Systems  
Photo Credit: ISME



# ITTO IN BRIEF

## Mission

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

## Brief History

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

ITTO's origins can be traced back to 1976 when the long series of negotiations that led to the first International Tropical Timber Agreement (ITTA) began at the fourth session of the United Nations Conference on Trade and Development (UNCTAD) as part of that organization's Programme for Commodities.

As the first ITTA was being negotiated in the early 1980s, concern over the fate of tropical forests was increasing and the international community was being asked to take action. By then, conservation had become at least as important a consideration in the negotiations as trade. This was reflected in the preamble to the Agreement, in which conservation and trade were accorded equal importance. The creators of the Agreement believed that a flourishing trade in tropical timber, if based on a well-managed forest resource, could be a key to sustainable development, providing valuable foreign exchange and employment while protecting natural forests from destruction, degradation and excision. The eventual outcome of these negotiations was the ITTA, 1983, which was no conventional commodity agreement. It was, in reality, as much an agreement for forest conservation and development as for trade. In effect, it preceded the concerns which featured in the 1987 Brundtland Report and at the Earth Summit in 1992 and its trade components were as much instruments for tropical forest conservation as ends in themselves. The ITTA, 1983 governed the Organization's work until 31 December 1996, when it was superseded by the ITTA, 1994. Negotiations for a successor to this agreement were concluded in 2006, again under the auspices of UNCTAD. The ITTA, 2006 is expected to come into force in the near future.

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

## Headquarters

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

# INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED COMMITTEES

## FORTY-FIFTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED SESSIONS OF THE COMMITTEES, 9-14 NOVEMBER 2009, YOKOHAMA, JAPAN.

The Forty-fifth Session of the International Tropical Timber Council and the Associated Sessions of the Committees was held in Yokohama, Japan, from 9 to 14 November 2009. The Session was attended by delegates from forty-one (41) ITTO Member Countries and the European Community. Also in attendance were thirty-one (31) Observers from Potential Member Countries, U. N. bodies and Specialized Agencies, Inter-governmental organizations, Non-governmental organizations and the Private Sector. The Session was opened by the Chairperson of the Council, H.E. Ambassador Michael Maue (Papua New Guinea) and was honoured with the attendance of H. E. Ms Chinami Nishimura, Parliamentary Vice-Minister of Foreign Affairs of Japan, H. E. Madam Fumiko Hayashi, Mayor of the City of Yokohama; H. E. Alhaji Collins Dauda, Minister of Lands and Natural Resources of Ghana, H. E. Mr. Martin Mabala, Minister of Forests, Water, Environment and Sustainable Development of Gabon, Ms. Jan McAlpine, Director of the United Nations Forum on Forests, and Prof. Don Koo Lee, President of the International Union of Forestry Research Organizations (IUFRO).



The Chairperson, **Ambassador Michael Maue**, stated that ITTO was at a crossroad and the way the Council negotiated this turn would determine the future of tropical forests and the millions of people who depend on them. He reminded the Council about the alarming rate of disappearance of tropical forests and cautioned that if the trend continued the world's rainforests could disappear entirely before the end of the century. He, however, noted that the Organization had made significant achievements within the past two decades of its establishment and called on Members to eschew any tendencies of complacency, especially at a time when the whole world's attention was focusing on tropical forests as a mitigation and adaptation option for climate change.

At this Session the Council considered: implementation of the Biennial Work Programme 2008-2009 and activities to be included under the Biennial Work Programme 2010-2011; the status of the implementation of the ITTO Thematic Programmes, including on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES), and on Tropical Forest Law Enforcement, Governance and Trade (TFLET). The Council also reviewed the status of deposit of instruments of ratification, acceptance, approval, or accession to the International Tropical Timber Agreement, 2006, and discussed the frequency and venue of future Council Sessions.



In her keynote address to the Council, **H.E. Madame Chinami Nishimura**, Parliamentary Vice-Minister of Foreign Affairs of Japan warmly welcomed all delegations to Japan. She acknowledged the importance of tropical timber and tropical forests in sustaining the livelihood of many people, protecting biodiversity, sequestering carbon dioxide and protecting watersheds. She underlined the importance and indispensability of tropical forests and regretted that these tropical forests were being destroyed on a global scale and expressed grave concern. H.E. Ms. Nishimura also expressed concern about the slow progress in the ratification of the ITTA, 2006 and urged all countries which had not yet ratified the Agreement to recognize the importance of tropical forests and accelerate their internal processes towards the ratification of the Agreement.



In her welcoming address, **H.E. Madam Fumiko Hayashi**, Mayor of the City of Yokohama recalled the establishment of ITTO in Yokohama twenty-three years ago and the changes that had taken place in the world's environment since then. She said it was remarkable that from the very beginning of its establishment the Organization had acted not only as a commodity organization but also had emphasized the importance of conservation of tropical forests and environmental protection. She noted that despite these efforts, the worldwide condition of forests was getting worse. Madam Hayashi underlined the importance of tropical forests in providing vital resources for the lives of many inhabitants living in tropical countries, as well as playing a vital role for the global environment in preventing global warming, sustaining the world's biodiversity and maintaining water resources. She stated that the mission of the current generation should be to maintain and leave the environment in a better form to the next generation and that the role of ITTO in addressing the difficult problems of sustainable forest management and developing and implementing global policies would surely become bigger in the future.



**H.E. Alhaji Collins Dauda**, Minister of Lands and Natural Resources of Ghana, informed the Council that Ghana and the European Union had concluded a Voluntary Partnership Agreement (VPA) to be signed in Brussels on 20 November 2009. A key element of the VPA would be the establishment of a wood tracking system to ensure that timber and timber products from Ghana would originate from legal sources. He stated that the piloting of the tracking system had started and, was expected to be rolled out to enable Ghana to issue FLEGT licences by 2010. The Honourable Minister noted that most of the rural poor relied on subsistence supplies of forest products to generate income and with the continued degradation of their livelihood base, they were facing the grim prospects of persistent poverty. Consequently, a key policy programme of the Government was focusing on the expansion of the forest resource base in new frontiers through plantation development in degraded off-reserve areas to increase the forest cover and generate employment for the rural population.

The Forty-third Sessions of the Committees on Economic Information and Market Intelligence, Reforestation and Forest Management and Forest Industry were convened in conjunction with the Forty-fifth Session of the Council. The Committees reviewed projects and pre-projects under implementation and considered the ex-post evaluation reports of some completed projects, and also conducted some policy work relevant to the Committees.



**H.E. Mr. Martin Mabala**, Minister of Forests, Water, Environment and Sustainable Development of Gabon reaffirmed the new Government of Gabon's commitment to continuing the implementation of its three major forest policies formulated in 2001, namely sustainable management, conservation of biodiversity and the involvement of nationals in the process of sustainable management of forest ecosystems. H.E. Mr. Mabala also reaffirmed Gabon's solemn commitment to the mission and objectives of ITTO. The Honourable Minister highlighted Gabon's standing timber potentials, network of national parks and other protected areas of Gabon – a Congo Basin state and a founding member of the Forestry Commission of Central Africa (COMIFAC). He underlined two characteristics of Gabon's forests: firstly that these forests were under no serious threat, mainly because of the country's low population levels. The second notable feature being that in 2008 alone, two logging companies exploiting these resources were awarded FSC certification, in respect of forest areas covering a total of 2 million hectares.



**Ms. Jan McAlpine**, Director, United Nations Forum on Forests, updated the Council on a number of significant developments in the international forest policy dialogue at the UN Forum on Forests, and some of the new initiatives launched by the UNFF Secretariat. She highlighted the global financial crisis and its impacts on forest financing and noted the already declining consumption and trade in forest products as well as decline in investment flows to the forestry sector and a general reduction in total flows of ODA.



A total of US\$9.3 million in new funding was announced at the Session, including US\$2 million towards Thematic Programmes on Community Forest Management and Enterprises and Trade and Market Transparency.

The Council also adopted three decisions, including: entry into force of the ITTA, 2006; activities included in the BWP 2010-2011; and the approval and funding of Projects, Pre-projects and Activities.



Chair Daniel Birchmeier, Switzerland (L), accepted his nomination as Chair of the ITTC for 2010, and thanked outgoing Chair Amb. Michael Maue, Papua New Guinea (R), for his service as Chair in 2009.

## OFFICERS OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED COMMITTEES IN 2009

### Council

Chairperson H. E. Ambassador. Michael Maue (Papua New Guinea)  
 Vice-Chairperson Mr. Daniel Birchmeier (Switzerland)

### Economic Information and Market Intelligence

Chairperson Ms. Siti Syaliza Mustapha (Malaysia)  
 Vice-Chairperson Ms. Carla Boonstra (The Netherlands)

### Reforestation and Forest Management

Chairperson Mr. Hideaki Takai (Japan)  
 Vice-Chairperson Mr. Tabi Agyarko (Ghana)

### Forestry Industry

Chairperson Mr. James Nirmal Singh (Guyana)  
 Vice-Chairperson Dr. Im Eun Ho (Republic of Korea)

### Finance and Administration

Chairperson Mr. Ondoua Ekotto Schadrack (Cameroon)  
 Vice-Chairperson Dr. David Brooks (USA)

### Spokespersons

Producers Mr. Martial Me Kouame (Côte d'Ivoire)  
 Consumers Dr. James Gasana (Switzerland)





ITTO Project PD 057/99 Rev.2(F) encourages the adoption of good forest management practices by timber companies in the Brazilian Amazon  
Photo credit: ITTO Project PD057/99 Rev.2(F)

A boy fishing in a river in Guyana  
Photo Credit: Fotonatura



# POLICY WORK



## Developments in the UNFCCC regarding Forests and their Potential Implications for Tropical Forests and the World Tropical Timber Economy

In 2009, the Council continued to monitor developments in the UNFCCC regarding forests and their potential implications for tropical forests and the world tropical timber economy.

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

The report covered the following areas:

- ITTO's mandate and its relation to the climate change agenda;
- An overview of tropical forests and climate change mitigation and adaptation measures;
- Progress in the UNFCCC negotiations on LULUCF, with special regard to REDD plus activities;
- Selected REDD demonstration activities; and
- Progress in ITTO activities, including the launching of REDDES Thematic Programme.

The report noted that since the UNFCCC negotiation process for a post-2012 climate change regime had not concluded its deliberations in respect of the integration of forests in Non-Annex I countries, it was difficult to make any final recommendation on how ITTO should link with the future forest-related mitigation and adaptation agenda developed through the UNFCCC. It, however, noted the global understanding of the need for a combined effort to address climate change that includes the forestry sector more holistically.



The representative of Brazil, **Ms. Carolina Costellini**, reiterated Brazil's concerns regarding some activities relating to climate change developed by ITTO. Brazil was of the opinion that the role of ITTO in addressing climate change should be limited to following and reporting on the negotiations in the UNFCCC, meaning that ITTO would not adopt a prescriptive approach in order to avoid duplication of efforts and the adoption of a position which might not necessarily reflect the common position of all Member Countries since many aspects of the discussions on climate change were not consensual.



The representative of Switzerland, **Ms. Chantal Oltramare**, however, underscored the importance of the active participation of ITTO in climate change negotiations in the UNFCCC and related initiatives dealing with forests such as the Forest Carbon Partnership Facility (FCPF). She further noted that the future role of forests in the climate change agenda would also have an important influence on the future role of ITTO and recommended that ITTO should continuously stay involved in the future processes dealing with forests and climate change, particularly by collaborating with FCPF along with UN-REDD and participating actively in the forthcoming technical meetings in 2010 and 2011 that would further shape the role of tropical forests in the emerging REDD+ context. She called on ITTO to particularly stress the role of tropical production forests and SFM as a mitigation option and further promote the "second D" of REDD and demonstrate the importance of forest restoration as an effective measure in REDD+.

## Enhancing Cooperation between ITTO and CITES

In 2009, ITTO continued to implement a large capacity building program to assist members to meet CITES-listing requirements for tropical timber species under the 2008/09 Biennial Work Program. This program, carried out in collaboration with the CITES Secretariat and primarily funded by a grant from the European Community, provided for numerous activities to improve the management and control of three tropical timber species (*Pericopsis elata*, *Gonystylus spp.* and *Swietenia macrophylla*) listed in CITES Appendix II in several producer countries of Africa, Asia and Latin America. Regional workshops to develop common management and control strategies for African and Latin/Central American countries implementing CITES listings for *P. elata* and *S. macrophylla* were held in Kribi, Cameroon and Cancun, Mexico in 2008. Another regional workshop on the use of conversion factors to control exports of mahogany and cedar was held in Peru in April 2009. A regional workshop on ramin was also convened in Indonesia in June 2009. Independent monitoring of the activity was undertaken by the European Commission in September 2009.



The representative of the United States, **Dr. David Brooks**, stated that the ITTO-CITES Programme was an illustration of the value of the Thematic Programme approach and the ability of the thematic approach to attract new and additional sources of financing for the activities of the Organization. He commended the Secretariat for the implementation of the programme.



The representative of the European Community, **Mr. Flip Van Helden**, stated that the European Community was very pleased with the implementation of the programme and was looking forward to continuing work to further enhancing the ITTO-CITES Programme. He commended the Secretariat for the way in which the programme was developing and attracting an increasing amount of interests from a range of producer countries.



The representative of Malaysia, **Dr. Norini Haron**, informed the Council that Malaysia had signed an agreement with ITTO in October 2008 for the implementation of five activities under the ITTO-CITES Programme. She outlined the following activities: Non-detriment findings report on *Gonystylus bancanus* – a qualitative assessment of *G. bancanus* in two selected permanent forests of Sarawak; The qualification of dry and wet Inland *Gonystylus* spp. (Ramin), *Aquilaria* spp. (agarwood) and *Intsia* spp. (merbau) in Peninsular Malaysia; Generation of spatial distribution maps of *Gonystylus bancanus* (ramin) using hyperspectral technology and determination of sustainable level of harvest of ramin in production forests of Peninsular Malaysia; The development of a *Gonystylus* spp. (ramin) timber monitoring system using radio frequency identification (RFID) in Peninsular Malaysia; and Developing a DNA database for *Gonystylus bancanus* in Sarawak. Dr. Norini reported that activities undertaken so far had demonstrated Malaysia's commitment to better managing *Gonystylus bancanus* throughout Malaysia.



Participants at the ITTO Regional Workshop on Ramin, Jakarta, Indonesia

## Strengthening Policies and Opportunities for Forest Investment

Since 2006, the International Tropical Timber Organization (ITTO) has facilitated the promotion of investment in tropical forests through the organization of international, regional and national fora. These fora identified opportunities for investment in tropical forests, and proposed ways forward to overcome the barriers and risks involved in such viable investment opportunities.

In 2008-2009, four national forums were convened in Bolivia, Congo, Philippines and Ecuador bringing together 388 participants from different sectors (private investors, commercial banks, stock markets, development banks, forest industries, forest communities and concessionaires, brokers, governments, and NGOs).

The fora found that economic, social and environmental potentials of forestry operations have not yet been fully realized, and efforts towards this end were worth undertaking in light of the important role of tropical forests in mitigating the effects of climate change, providing a source of income and employment to the national economies, and a source of livelihoods to the communities that live in the forests.

The national fora identified several structural barriers in producing countries such as contradictory laws and regulations, complex and inequitable taxation, inadequate law enforcement and transparency, unsecured land tenure and access rights, and lack of access to credit lines for SMEs and CFEs.

Major recommendations of the fora included:

- Enabling environment for investment by:
  - securing land tenure and access rights,
  - strengthening forest governance,
  - developing less complex and more equitable taxation,
  - simplifying bureaucracy,
  - adjusting financial incentives for SFM in natural forests in comparison with other land uses,
  - developing appropriate public procurement policies for timber,
  - promoting accessible credit lines for small-medium forest enterprises.
- Forestry operations should be linked to capital markets by:
  - managing forest for multiple uses within the ecological limits,
  - developing business models for NTFPs and environmental services,



Tropical forest investment forum in Manila, Philippines.

- investing in technology, infrastructure, innovation and productivity improvements.
- creating a balance between small and large scale enterprises through vertical integration,
- building capacity to improve the managerial business skills in the forestry sector, in order to facilitate market access,
- better marketing of certified forest products,
- incorporating social responsibility principles,
- developing risk insurance mechanisms.

- in selected major international markets;
- (ii) Facilitate information exchange on technical and environmental standards relating to tropical timber products;
- (iii) Make recommendations on future actions that could assist tropical producer countries in better understanding and complying with the main technical and environmental standards required for tropical timber products in international markets;

### Study on the Technical and Environmental Standards of Tropical Timber Products in International Markets

In 2009, ITTO in collaboration with FAO carried out a Study on the Technical and Environmental Standards of Tropical Timber Products in International Markets. The objectives of the study were:

- (i) Monitor and assess the major developments of technical and environmental standards including comprehensive overview of global markets and regulations required for tropical timber products

The study concluded that many developing countries did not have national sets of standards, because enabling conditions for their development had not been properly met. In general, standards have often not received a high priority in national development agenda given rise to the high importance of ISO and other international or regional standards in developing countries.



Improving timber products entering international markets - Visit to a forest industry in East Kalimantan, Indonesia

### Supporting Civil Society/Private Sector Partnerships for Sustainable Forest Management and Certification

In its continuing effort to promote further progress towards sustainable forest management, verifiable legality and certification in the tropics, ITTO granted funding to three civil society/private sector partnerships aimed at enhancing the capacity of small and medium size enterprises to produce and trade in timber from legal and sustainable sources:

- Tropical Forest Foundation/PT Suka Jaya Makmur – Indonesia
- The Forest Trust/Manejo Florestal e Prestação de Servicos Ltda – Brazil
- The Foundation for People and Community/Innovision (PNG) Ltd – Papua New Guinea

The implementation of these partnerships is expected to result in the certification of 150,000 hectares of tropical forests as sustainably managed and 75,000

cubic metres of certified/verified legal timber produced and exported.

### Promoting Trade in Tropical Timber and Timber Products from Sustainably Managed and Legally Harvested Sources

Concomitantly, with a view to promoting trade in tropical timber and timber products from sustainably managed and legally harvested sources, ITTO provided financial assistance to three forest companies operating in ITTO producing member countries to establish innovative (paperless) timber tracking systems using commercially available hardware and software:

- Green Gold Forestry Ltd. – Peru
- P.T. Seng Fong Moulding Perkasa – Indonesia
- Industrias Forestiere de Batalima – Central African Republic

Through the development and implementation of these systems, the companies are expected



Partnership between the Forest Trust and Manejo Florestal e Prestacao de Servicos Ltda-Brazil



Partnership between Tropical Forest Foundation and PT Suka Jaya Makmur – Indonesia

to contribute directly towards increased volume of tropical timber and timber products from sustainable and legal sources being produced and traded as well as to the establishment of a website to report on the volume of timber tracked under the systems. The Tropical Forest Trust, an international non-governmental organization was been engaged by ITTO to design, develop and implement a web-based information system to support the development of a sustainable tropical timber trade.

### **Encouraging Involvement of Non-Government Stakeholders in the Activities of ITTO**

A consultant was engaged by ITTO to assist poor local/indigenous communities to formulate project proposals on sustainable management of forests and timber production for submission to ITTO. Of the three proposals formulated, a pre-project has been approved and funded in Thailand under the Thematic Programme on Forest Law Enforcement, Governance and Trade (TFLET).

### **Maintaining ITTO's Active Involvement in International Cooperation and Collaboration**

As a founding member, ITTO continued its active involvement in the Collaborative Partnership on Forests (CPF) by participating in its meetings and collaborating in selected CPF initiatives including the CPF Strategic Framework for Forests and Climate Change, the CPF Advisory Group on Finance (AGF), CPF Sourcebook on Funding for Sustainable Forest Management, CPF Task Force on Streamlining Forest-Related Reporting, CPF Process to Harmonize Forest Related Definitions and the Global Forest Information Service (GFIS) which was also undertaken under the aegis of the ITTO-IUFRO Memorandum of Understanding signed in 2007.

In the context of maintaining and strengthening cooperation with the United Nations Forum on Forests (UNFF), ITTO participated actively in the Eighth Session of the UNFF held at the United Nations Headquarters, New York from 19 April to 1 May 2009, with the



Executive Director participating as a panelist in the Panel on the Financial Crisis and SFM and a commentator on means of implementation. To ensure that the perspective of tropical forests and timber is adequately presented at UNFF, ITTO seconded a senior official, Mr. Alhassan Attah, to the UNFF Secretariat with effect from 1 October 2009. ITTO also hosted and co-organised the UNFF Brainstorming Meeting on Promoting North-South, South-South and Triangular Cooperation for Sustainable Forest Management (SFM) in Yokohama from 19 to 20 December 2009 to contribute towards the development of appropriate strategies for further cooperation in support of SFM to be considered at the Ninth Session of the UNFF in 2011.

ITTO's close collaboration with Food and Agriculture Organization (FAO) was sustained including through ITTO's participation in the 19th Session of the Committee on Forestry (COFO) and World Forestry Week (WFW) which took place in Rome from 16 to 20 March 2009. This event was utilized to launch the ITTO-IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests and the pilot implementation of the ITTO Thematic Programmes on REDDES and TFLET.

ITTO also participated actively in the Thirteenth World Forestry Congress (XIII WFC 2009) held in Buenos Aires, Argentina from 17 to 23 October 2009 including through the delivery of a keynote address on Thematic Area 2: Producing for Development, and the conduct of two side events.

### Review of the United Kingdom (UK) Timber Market

A report on the Review of the UK Timber Market was presented by Dr. Michael Adams (consultant) to the Committee on Economic Information and Market Intelligence during its Forty-third Session in Yokohama, Japan. The study was carried out at a time when the UK timber sector was facing the worst economic downturn since the oil shock in 1970s and UK and EU imports of wood products were at unprecedented lows. In spite of the drawback, UK was likely to remain a major importer including of tropical timber and wood products particularly sawnwood. However, the future of tropical timber and timber products in the UK market would hinge on the provision of verified legal and sustainable timber in the short-term and the provision of certified timber in the long-term, especially for public sector procurement and purchases by



UNFF Brainstorming Meeting on Promoting North-South, South-South and Triangular Cooperation for Sustainable Forest Management (SFM), 19 - 20 December 2009, Yokohama, Japan



Certified meranti from Malaysia, under the Malaysian Timber Certification Scheme

leading importers. The sustainability credentials and thermal properties of wood vis-à-vis its competitors were being promoted and the UK Code for Sustainable Homes would assist in reviving the fortunes for wood in buildings. It was anticipated that as and when economic recovery in the UK took place, exporters of processed products should find expanded market opportunities to fill in for the lost domestic output.

### Monitoring Developments and Progress in Timber Procurement Policies

A report on Developments and Progress in Timber Procurement Policies was presented by Dr. Markku Simula (consultant) to the Committee on Economic Information and Market Intelligence during its Forty-third Session convened in Yokohama, Japan. It highlighted the underlying and direct key drivers of timber procurement policies; germane issues ranging from proliferation of requirements to application of social

criteria, differences in recognition of forest certification systems, implications for trade regulations in EU and USA, green building initiatives and private sector policies; capacity and constraints of tropical timber producers in achieving and demonstrating legality and sustainability; options available to tropical timber producers under government and private sector implemented systems and other positive, negative and mixed impacts of timber procurement policies.

The study concluded that free riding on illegal logging and trade could not continue; timber procurement policies represented a compromise between market pressures and what could be achieved in practice; there was a need for improvement of definitions, procurement criteria, time schedules and implementation arrangements; producer countries needed to strengthen governance, legality assurance systems, management and information systems and retooling of the industry; impacts could be drastic

and mitigation would require external support; and community forests and SMEs were the most vulnerable informal sector requiring particular attention.

Recommended ITTO follow-up work on this issue included monitoring demand, supply and trade in certified/verified legal timber; promoting commonalities and convergence of timber procurement policies and related instruments; exploring feasibility of common standards/guidelines for legality and its verification; assisting in the assessment of strategic options and impacts in tropical timber producing countries; supporting capacity building particularly for community forestry and SMEs; and developing tools for risk assessment.

### **Review of the Long-term Outlook for Tropical Timber**

The Committee on Economic Information and Market Intelligence considered the report of the study on the Long-term Outlook for Tropical Timber aimed at identifying long-term trends and drivers of change and their impact on tropical timber markets and forests. The report was presented by Dr. James Turner (consultant). Four scenarios were developed in which the tropical forest industry might operate in 2020. Two scenarios, namely Tropical Timber-Symbol of Tropical Forest Livelihoods and Tropical Forests-Tackling Climate Change, offered similar outcomes predicated on a strong recovery from the global economic crisis. However, these differed in their key drivers, the first driven by recognition of the role of tropical timber in forest protection and community livelihoods and the second by the role of tropical forests in mitigating climate change. The third and fourth scenarios, namely the North-South crisis based on the alignment of the BRIC and developing economies as a new bloc and Tropical Timber-Symbol of Tropical Forest Destruction based on declining global acceptance of tropical timber driven by increased protectionism and environmentalism, were variants of a retraction of the market for tropical timber precipitated by a weak recovery from the global economic crisis.

Quantitative predictions of forest resources and wood products consumption, production, trade and prices to

2020 were made under these scenarios. Secondary processed wood products and country details would be incorporated in the forecasts for these scenarios and potential policy conclusions for the tropical timber trade would be drawn up in the final report.

### **Monitoring the Competitiveness of Tropical Wood Products Compared with Other Materials**

A report of the study on Monitoring the Competitiveness of Tropical Timber, aimed at evaluating the competitive position of tropical wood products in relation to other products and materials in selected markets and providing information to assist in the development of effective market development strategies, was presented to the Committees on Economic Information and Market Intelligence and Forest Industry by Dr. Rupert Oliver (consultant) during the Forty-third Sessions of the Committees.

The study revealed that the overall prognosis for tropical hardwoods was not positive, with the products being threatened in key market niches by a wide and increasing range of innovative products, declining price expectations, falling raw material quality, a significant image problem and a squeeze resulting from a number of policy measures. Innovations impacting on the competitiveness of tropical hardwoods included engineered wood products, heat treatment, acetylation, impregnation, surface technologies and wood plastic composites.

Recommended follow-up on the study included facilitating an industry-wide, design-led generic marketing campaigns for tropical hardwoods, undertaking more detailed reviews of the global positioning and competitiveness of national wood product industries with a view to developing realistic long-term strategies, ensuring that tropical hardwood products can be compared on a level playing field with other wood products and alternative materials, and developing opportunities in higher value niche markets.

### **Revised “ITTO/IUCN Guidelines for the Conservation of Biodiversity in Tropical Timber Producing Forests”**

The development and testing of the revised ITTO Guidelines for the Conservation of Biodiversity in Tropical Timber Producing Forests was completed with the adoption of the final document by the Forty-fourth Session of the ITTC through Decision 6/XLIV and the publication of the document in early 2009. The revised Guidelines have been launched in Rome in March 2009, during a joint ceremony organized by ITTO and IUCN on the occasion of the World Forestry Week/ COFO. During the launching ceremony, representatives of CBD Secretariat and GEF manifested their support to the Guidelines and interest to apply them in their projects. The final document constitutes ITTO Policy Development Series number 17.

The CBD has included a briefing of the new ITTO/IUCN Guidelines in a publication launched by the CBD Secretariat in 2009, titled “Sustainable Forest Management, Biodiversity and Livelihoods – A good practice guide”. It includes the electronic version of the ITTO/ IUCN Guidelines.

Interest has also been manifested by some forest concessionaires to apply the guidelines at forest management units. Results of the implementation of the Guidelines in the field would be disseminated during an ITTO side-event planned to be held during the Conference of the Parties of the Convention on Biological Diversity (CBD CoP 10) in Nagoya, Japan, in October 2010.

### **Contribution to National and International Efforts in the Area of Prevention and Management of Fire in relation to Tropical Timber Producing Forests**

ITTC Decision 6(XXXIII) calls for the development of a comprehensive strategy of fire management oriented to build capacities at the local and national level for the management of tropical forest fires. ITTO’ assistance was provided to Nepal in 2009, and consultations for possible ITTO’s assistance were undertaken with the Governments of Honduras and Togo.

Since October 2008 ITTO became a core member of the United Nations International Strategy for Disaster Reduction (UNISDR)-Wildland Fire Advisory Group and



Photo:FAO (Photographer: Roberto Faidutti, CFU000205)  
Peul Shepherds set fire to a forest to create pasture in Central African Republic

the Global Wildland Fire Network (GWFN) promoted by the Global Fire Monitoring Center (GFMC). A representative of the Global Fire Monitoring Center (GFMC) gave a presentation at the Forty-third Session of the Committee on Reforestation and Forest Management on past cooperation between ITTO and GFMC as well as on the visions and prospects regarding future joint activities within the UNISDR Global Wildland Fire Network, as well as on the outcomes of the assistance provided to the Government of Nepal on the development of a forest fire strategy for that country. The Committee recommended the organization of an exchange of experiences and possibly a joint presentation of achievements on the prevention and management of tropical forest fires from ITTO member countries at the 5th International Wildland Fire Conference to be held in South Africa in 2011.

### **Implementation of Guidelines for the Management of Secondary Tropical Forests, the Restoration of Degraded Tropical Forests and the Rehabilitation of Degraded Forest Land**

In collaboration with the Global Partnership on Forests Landscape Restoration (GPFLR [www.ideastransform-landscapes.org](http://www.ideastransform-landscapes.org)), IUCN and local partners, ITTO developed and published two national and one regional guidelines on forest landscape restoration in Ghana, Indonesia and the African Great-Lakes region (including the Democratic Republic of Congo). This was the result of a participatory consultation process developed through three workshops where the ITTO Guidelines for the Management of Secondary Tropical Forests, the Restoration of Degraded Tropical Forests and the Rehabilitation of Degraded Forest land have been debated and adjusted to local level. The workshops were held in Acre, Brazil, Bali, Indonesia and



Field visit by participants during the Bali Workshop on restoration of degraded tropical forests





Field visit during an ITTO Training workshop on forestry and timber trade statistics in Iquitos, Peru.

Grandma and Grandchildren proudly showing a two year old planted tree  
Photo Credit: ITTO Project PD 14/98 Rev.1 (F)



# ITTO SPONSORED EVENTS IN 2009

## Children's Environmental Education Conference on Tropical Forests, 10 July 2009, Yokohama, Japan

ITTO launched a new environmental education program to better educate children around the world

about the importance of forests in maintaining a healthy global environment. The Children's environmental education conference held on 10 July 2009 in Yokohama was attended by about 900 people, including their Imperial Highnesses, the Crown Prince and Crown Princess of Japan, the Mayor of the City of Yokohama and many high level dignitaries. The conference was held in conjunction with celebrations marking the 150th anniversary of the opening of the port of Yokohama. Also in attendance were students from about 40 different countries. ITTO's CEEP programme commenced activities in the areas of (1) Supplementary Teaching Materials; (2) School Forests; (3) Forest-Friendship Experience; (4) Learning Network; (5) Forest Education Camp; (6) Dispatch of Lecturers; and (7) Environmental Education Conferences in 2009-10.



The Crown Prince and Princess of Japan arriving at the Children's Environmental Education Conference



Panelist of school children at the Children's Environmental Education Conference in Yokohama, Japan





Children performing at the CEEP conference in Yokohama, Japan

### **International Conference on Promotion of Intra-African Trade in Timber and Timber Products, 30 June–2 July 2009, Accra, Ghana**

An international conference on the Promotion of the Intra-African Trade in Timber and Timber Products was held in Accra, Ghana, on 30 June to 2 July 2009. The conference brought together over one hundred stakeholders, including several ministers in charge of forestry, government representatives from all ten ITTO African member countries, senior executives from major forest products companies, private and public sector financial institutions, forest product market development agencies, customs authorities, chambers of commerce and leading forestry and conservation agencies from around the world to share ideas on expanding the regional timber trade in Africa. The conference was opened by the Vice-President of Ghana, H. E. Mr. John Dramani Mahama and resulted in a new Action Plan for the promotion of the intra-African trade in timber and timber products.

The Accra Action Plan noted that the imports of African countries in timber and timber products valued at about USD 4.4 billion with less than 10% originating from the region itself represented a huge opportunity for the development of intra-African trade, particularly from the ITTO producing member countries. The medium and long-term market outlook was positive and driven by economic and population growth in the region. However, African producers would need to improve competitiveness to increase their market shares.

The main constraints faced by African suppliers in the regional markets were identified both in the legal and policy framework and the capacity of the private sector. Some of the constraints identified were high tariff barriers in processed products, bureaucratic customs and inspection procedures, corruption, inappropriate taxation and inadequate incentives, lack of sub-regional harmonization of the national regulatory frameworks, competition from illegal harvesting and trade, and deficient statistical information on production and trade, lack of market information, weak

marketing capability, high transaction costs of legal operations and competition from the illegal operations, multiplicity of documentation requirements in exporting and importing countries, limited access to trade finance; limited secondary processing capacity, low quality and design competitiveness of further processed products, and intense competition from outside the region.

### **Recommendations**

The Accra Action Plan made a number of recommendations for the promotion of intra-African trade in timber and timber products including:

#### Private sector

1. In partnership with government agencies, organize market promotion missions, business roundtables and participation in trade fairs and exhibitions to establish direct contacts with potential buyers in selected key markets (Northern and Southern Africa, Nigeria, etc.); this activity should be preceded by the

production of necessary promotional material and product samples and training in effective participation in trade fairs.

2. Trade and industry associations should establish a sub-regional/regional network for exchange of information and promoting common interests in trade facilitation and development as well as international policy issues.

#### Governments

1. Reduce import tariffs of timber and timber products to the agreed levels and eliminate them in the long run to promote free movement of these products in Africa.
2. Strengthen monitoring of the cross-border trade between neighboring countries to improve legal compliance and to remove inappropriate practices such as double documentation for exportation and importation of timber and timber products.



Vice-President of Ghana, H. E. John Dramani Mahama, arriving at the conference

#### ITTO, FAO and Other International Organizations

1. Co-sponsor trade promotional fairs and business-to-business roundtables in the region to be organized by the private sector organizations in ITTO producing member countries.
2. Improve the transparency of markets for tropical timber and timber products in the African region through (i) detailed studies on market opportunities in selected major African consuming countries (e.g. the Republic of South Africa, Nigeria, Egypt, Algeria, Morocco, etc.), (ii) inclusion of key African import markets in the bi-monthly ITTO Market Information Service, and (iii) improvement of statistical information on trade and trade flows in Africa.

#### Regional Organizations

1. Within their existing strategies, ECOWAS, CEEAC (with COMIFAC), SADC and Maghreb, in cooperation with ITTO and WCO, should organize workshops and follow-up implementation processes to improve customs procedures and cooperation between national customs agencies in order to facilitate trade, and to strengthen staff skills related to timber and timber products as these require specialized knowledge on products (identification of species, measurement, etc.).
2. Sub-regional economic organizations should (i) support detailed studies on tropical timber trade (particularly in Western and Central Africa) to identify trade opportunities and measures to facilitate trade between their member countries in order to improve governance and legality of the supply systems of timber and timber products; and (ii) organize technical validation of the recommendations with relevant partners, including the private sector, government agencies and international organizations such as ITTO and FAO.

### **Forest Tenure, Governance and Enterprise: New Opportunities for Livelihoods and Wealth in Central and West Africa, 25-29 May 2009, Yaoundé, Cameroon**

The International Tropical Timber Organization (ITTO), Rights and Resources Initiative (RRI), Food and Agriculture Organization of the United Nations (FAO) and the Cameroon Ministry of Forests and Wildlife organized

the international conference on forest tenure, governance and enterprise for Central and West Africa on 25-29 May 2009 in Yaoundé, Cameroon. With growing pressure on forests and farmland throughout the African continent, more than 250 representatives from government, research and civil society organizations from Latin America, Asia and Africa participated in the five day meeting to find ways to accelerate policy reform on forest rights, sustainable forest management, and socioeconomic development in West and Central Africa.

The conference in Cameroon found that governments still retained control over the world's tropical forests globally. Despite some progress in Cameroon and other countries including Mozambique and Tanzania, Africa was also moving much slower on tenure reform than other regions. The study commissioned by ITTO and presented at the conference found that less than 2 percent of Africa's tropical forests were owned by or designated for use by the region's forest communities and indigenous groups compared to nearly one-third of all forests in Latin America, Asia, and the Pacific.

"There are signs that some governments are starting to move to correct the imbalance and some good examples are emerging from across the region. It is now urgent to learn from the experience of other regions and quickly scale up the level of effort," said Jeffrey Hatcher, lead author of the study. Several African countries, including Angola, Cameroon, Democratic Republic of the Congo, the Gambia, Mali, Mozambique, Niger, Sudan and Tanzania have all introduced or amended laws to strengthen the land rights of local communities. Cameroon, the country hosting the conference, was beginning to develop a new forest law, which would give an opportunity to clarify and secure local ownership rights.

Despite such positive developments, there were concerns whether the slow pace of change could have any significant impact on the current generation of Africa's rural people. There were also concerns that community forest management was happening mostly in forests that the transnational companies or the conservation organizations did not want.



Mr. Emmanuel Ze Meka, ITTO Executive Director addressing the conference on Land Tenure, in Yaoundé, Cameroon



A section of participants at the conference on land tenure in Yaoundé, Cameroon

### **Latin America and Caribbean Regional Forum on Promoting Wood-Based Bio-energy using Wood Residues and Wastes, 13-16 July 2009**

A regional forum on promoting wood-based bio-energy using wood residues and wastes was held in Manaus, Amazonas, Brazil on 13-16 July 2009. The forum was co-sponsored by ITTO, FAO and the Government of Brazil, and hosted by the Brazilian Forestry Service.

The forum was attended by representatives from Brazil, Colombia, Ecuador, Guatemala, Guyana, Honduras, Mexico, Panama, Peru, Suriname and Venezuela. Participants discussed the problems and strategy for solution related to the development of wood-based bio-energy in the region, especially on the use of wood residues and wastes, and “road map” to develop sustainable use of wood and wood residues for bio-energy generation. It focused on consideration of specific elements for a road map to develop wood based bio-energy covering three main issues: assessment of resources and potential; technologies and markets; and strategies and policies.

### **International Symposium on Forest Genetic Resources Conservation and Sustainable Utilization towards Climate Change Mitigation and Adaptation, 5–8 October 2009, Kuala Lumpur, Malaysia**

The international Forest Genetic Resources (FGR) symposium was organized in Kuala Lumpur, Malaysia, from 5 to 8 October 2009. The main objective of the symposium was to review the status of national efforts in conserving, managing and sustainably using forest genetic diversity in the Asia Pacific region. It also served as a platform for the researchers and forest administrators to discuss and share information on conservation and sustainable use of the resources.

The symposium brought together 63 participants from 19 countries with focus on tropical Asia. Participants came from all across the region, including China, Japan, Pacific Islands and Australia. In total 39 presentations were given, including keynote presentations from ITTO, FAO and Bioversity International

The symposium was jointly organized by Forest Research Institute of Malaysia (FRIM), Asia Pacific



Participants at a co-generation energy factory using wood residues and wastes in Manaus, Amazonas, Brazil



Participants of the international symposium on forest genetic resources, Kuala Lumpur, Malaysia

Association of Forestry Research Institutions (APAFRI), and Bioversity International. Other collaborating institutions were ITTO, FAO, IUFRO, the Forest Tree Breeding Centre of the Japan Forestry and Forest Products Research Institute, and the Secretariat of the Pacific Community (SPC).

Recognizing the important roles of FGR, and the significant contributions of the ITTO project, the symposium made several recommendations including the following:

- Development of the comprehensive national FGR strategies and action plans,
- Species priority setting for efficient FGR C&M,
- Evaluation, characterization, documentation and sharing the information of FGR,
- in situ and ex situ conservation,
- Exchange of genetic materials,
- Strengthening national programmes on forest genetic resources, and enhancement of the linkage between conservation of forest genetic resources and national forest programmes,
- Participation of local communities and the role of livelihood in conservation and sustainable use of forest genetic resources,
- Assessment of climate change impacts on FGR vulnerability, and management of FGR to facilitate adaptation,
- Assessment of impact on livelihood of local communities and its vulnerability to climate change, and implications on FGR conservation

and sustainable management.

- Development of a regional programme to support national activities implementing conservation of forest genetic resources for sustainable use, in the changing scenarios of climate change.
- Development of regional mechanisms and coordination capacity for gathering, sharing, and analysing information on conservation and use of FGR, contributing to the global efforts such as State of the World Forest Genetic Resources Report.

### **ITTO Capacity Building Workshops on Project Formulation**

As mandated in the ITTC Decision 5(XLIV) of 8 November 2008, four (4) capacity building training workshops on the revised manual for project formulation (Third Edition, 2008) were organized in Chiang Mai (Thailand, 20-25 April 2009) and Ibadan (Nigeria, 11-15 May 2009), Libreville (Gabon, 27 April-1 May 2009) for French speaking countries, and Guatemala City (Guatemala, 12-16 May 2009) for Spanish speaking countries.

The workshops enhanced the understanding of methods in project identification and formulation and encouraged "country level initiatives. The specific objectives were to:

- enhance participants' knowledge in project formulation based on the Third Edition of the ITTO Manual for Project Formulation ;



Participants of the ITTO capacity building workshop in Ibadan, Nigeria



Participants of the ITTO Capacity building workshop in Thailand

- enhance the capacity of project proponents in collecting the data and information necessary for preparing ITTO Projects/Pre-projects;
- familiarize participants with standard operating manuals relating to ITTO projects; and
- facilitate the exchange of experiences in the identification, formulation and implementation of completed, on-going and planned projects.

From the four training workshops, a total of 90 people were trained.

### Ensuring International Trade in CITES-listed Timber Species is Consistent with Their Sustainable Management and Conservation-ITTO Side-event at the World Forestry Congress (WFC), Buenos Aires, 19 October 2009

This side-event was organized in conjunction with the XIII World Forestry Congress convened in Buenos Aires, Argentina in October 2009. It was chaired by ITTO's previous Executive Director (Dr. Manoel Sobral Filho) and featured presentations from Africa, Asia and Latin America on ITTO-supported efforts to promote sustainable trade in the three main tropical timber species listed in CITES Appendix II (*Pericopsis elata*, *Gonystylus* spp. and *Swietenia macrophylla*). The event was attended by nearly 100 people.



Dr. Manoel Sobral Filho, former ITTO Executive Director, (second from left) chairing the CITES Side-event



### **Promoting Sustainable Forest Management in the Tropics – ITTO Side-event at the World Forestry Congress (WFC), Buenos Aires, Argentina, 21 October 2009**

This was the second ITTO Side-event organized in conjunction with the XIII World Forestry Congress in Buenos Aires, Argentina in October 2009. The side-event was chaired by ITTO Assistant Director, Mr. Amha bin Buang and featured presentations from three ITTO projects promoting SFM in the tropics as follows:

- (a) Implementation of the Sustainable Forest Management Programme of the Iwokrama International Centre (Guyana)
- (b) Rehabilitating Degraded Forest through Collaboration with Local Communities (Ghana)
- (c) Conservation of Biological Diversity through Sustainable Forest Management Practices (Malaysia)

The event also featured a presentation on the role of ITTO's new thematic programs in promoting SFM and a book launch on Encouraging industrial forest plantations in the tropics- TS- 33.

### **Forests, Livelihoods & Climate Change – ITTO Side-event at COP 15 OF UNFCCC, 11 December 2009, Copenhagen, Denmark**

This side event was held jointly with IUFRO and Inter-cooperation on 11 December 2009 in conjunction with COP 15 of UNFCCC, in Copenhagen, Denmark. The presenters at the side-event were: Mr. Emmanuel Ze Meka (Executive Director of ITTO), Prof. Noriyuki Kobayashi (Nihon University Law School, Japan), Ms. Nur Masripatin (Director of FORDA, MoF, Indonesia), Ms. Julia Randimbisoa (Climate change focal point in Madagascar), Mr. Peter Mayer (IUFRO Executive Director) and Mr. Stephy David Makungwa (Chair of the thematic group 'Forests and Climate Change' of the Forestry Research Network for Sub-Saharan Africa). This event showcased ongoing and new activities to promote social, economic and environmental benefits of forests, including contribution to sustainable livelihoods in the framework of climate change mitigation, adaptation and ecosystem restoration.

### **UNFCCC COP 15 – Forest Day 3 – Sub-plenary on Forest Degradation, 13 December 2009, Copenhagen, Denmark**

During the Forest Day 3 which was organized by CIFOR on 13 December 2009 in conjunction with COP 15 of UNFCCC in Copenhagen, ITTO organized a sub-plenary session on forest degradation. The main objective of this sub-plenary session was to review the extent and scale of degradation and the restoration opportunity worldwide with the participation of local communities and the private sector in the context of climate change mitigation purposes. The panelists in the sub-plenary session were: Dr. Markku Simula (University of Helsinki, Finland), Dr. Sandra Brown (Winrock International, USA), Mr. Estebancio Castro Diaz (International Alliance of Indigenous and Tribal Peoples of Tropical Forests, Panama), Mr. Peter Gardner (Mondi, South Africa), Mr. Jorge Rodriguez (Minister of Environment, Energy and Telecommunications, Costa Rica) and Dr. Wangari Maathai (Nobel Peace Laureate 2004, Goodwill Ambassador of the Congo Basin Forests). Key messages of the sub-plenary session on Forest Degradation included the following:

- Improved forest governance is a prerequisite to reversing degradation. This includes ensuring that the exploitation of forests is legal and sustainable (including through certification); recognition of the rights of indigenous peoples and tenure reform; more democratic processes and participation of stakeholders; mechanisms to achieve intersectoral coordination and address drivers; and monitoring to achieve transparency and improve response measures.
- 90 percent of participants polled supported the potential eligibility of sustainable management of forests (including timber production) for REDD+ funding, although a minority believed that such eligibility should be limited to community-based and smallholder production systems.
- Forest restoration provides an immense opportunity to address the widespread degradation of forest lands and significantly enhance carbon stocks. It also provides important opportunities for adaptation. Political and financial commitments are needed to seize these opportunities.

In addition, ITTO Executive Director made a presentation on “Financing SFM and Climate Change: The ITTO’s Experience” at the Learning Event on Financing for forests and climate change of Forest Day 3.



ITTO Executive Director, Mr. Emmanuel Ze Meka and Dr. Wangari Maathai (Nobel Peace Laureate 2004 and Goodwill Ambassador of the Congo Basin Forests)



ITTO Executive Director, Mr. Emmanuel Ze Meka making a presentation during the ITTO Side-event on “Forest Day 3” at COP 15 of UNFCCC



Japanese Ambassador to Côte d'Ivoire visits ITTO Project

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



# FINANCING OF PROJECTS, PRE-PROJECTS AND ACTIVITIES

ITTO's uniqueness is its strength in the field through project works in member countries. During the spring project cycle in 2009, the total funds allocated for financing projects, pre-projects and activities amounted to US\$2,288,849. Allocations of funds were made by Japan (\$996,339.00), the United States of America (\$408,520.00), France (\$69,400.00) and 7 & i Holdings (Private, Japan) (\$814,590.00).

At the Forty-fifth Session held in November 2009, the total amount allocated for financing projects, pre-projects and activities amounted to US\$9,372,014.00. Allocations of funds were made by Japan (\$4,887,870.00), Switzerland (\$1,506,700.00), United Kingdom (\$949,380.00), the United States of America (\$659,000.00), Norway (\$100,000.00), Finland (\$64,064.00), Republic of Korea (\$50,000.00), Sweden (\$25,000.00) and Japan Lumber Importers Association (\$50,000.00). In addition, a total amount of US\$1,080,000.00 was allocated from the Bali Partnership Fund, Sub-Account B and the Programme Support Fund in the Special Account.

## Voluntary Contributions (US\$):

### Received in 2009 into the Special Account and the Bali Partnership Fund

Government of Japan	\$5,884,317.00
Government of Norway	\$3,863,957.00
Government of Switzerland	\$2,000,000.00
Government of U.S.A.	\$1,050,000.00
Government of U.K.	\$486,780.00
Government of Belgium	\$97,037.00
Government of France	\$69,400.00
Government of Finland	\$60,000.00
Government of Republic of Korea	\$52,993.00
Government of Sweden	\$25,000.00
European Commission	\$822,638.00
Common Fund for Commodities	\$15,000.00
Private (Japan)	\$299,196.00
	<hr/>
	\$14,726,318.00

### Summary of Projects, Pre-projects and Approved Activities - Funding pledged in year 2009

	Projects		Pre-Projects		Activities		Additional Funding for Ongoing Proj./ Activities		Total	
	No.	ITTO Funding US\$	No.	ITTO Funding US\$	No.	ITTO Funding US\$	No.	ITTO Funding US\$	No.	ITTO Funding US\$
Economic Information and Market Intelligence	1	33,520						350,000	1	383,520
Reforestation and Forest Management	7	3,574,152	1	61,938				56,700	8	3,692,790
Forest Industry	4	1,799,178						1,000,000	4	2,799,178
Council					10	2,686,595		2,098,780	10	4,785,375
<b>TOTAL</b>	<b>12</b>	<b>5,406,850</b>	<b>1</b>	<b>61,938</b>	<b>10</b>	<b>2,686,595</b>		<b>3,505,480</b>	<b>23</b>	<b>11,660,863</b>

### Projects, Pre-Projects and other Approved Activities Funded by the Organization. 1987 - 2009 [ITTC (II) - ITTC (XLV)]

WORK	STATUS	No.	ITTO Funding (US\$)
Projects	Completed	389	201,874,095.81
	Operational	116	61,144,357.86
	Pending Contract	8	3,776,345.00
	Sub-total:	513	266,794,798.67
Pre-Projects	Completed	188	17,064,995.03
	Operational	16	1,015,957.00
	Pending Contract	2	146,443.00
	Sub-total:	206	18,227,395.03
Approved Activities (Note)	Completed	200	34,419,129.37
	Operational	51	26,380,026.85
	Sub-total:	251	60,799,156.22
	<b>TOTAL</b>	<b>970</b>	<b>345,821,349.92</b>

**Note:**

The Approved Activities included ITTO Thematic Programmes, the status of which are as follows:

	Budget (US\$)	Pledges (US\$)
Forest Law Enforcement, Governance and Trade (TFLET)	15,000,000	5,846,384
Reducing Deforestation and Forest Degradation and Enhancing Environment Services in Tropical Forests (REDDES)	18,000,000	4,438,958
Community Forest Management and Enterprises (CFME)	10,000,000	1,000,000
Trade and Market Transparencies (TMT)	5,000,000	1,000,000
Industry Development and Efficiency (IDE)	10,000,000	
	<b>\$58,000,000</b>	<b>\$12,285,342</b>

In 2009, ITTO, 7&i Holdings, (retailing company of Japan) and the Government of Indonesia launched a partnership to conserve 58,000 hectares of tropical forests of the Meru Betiri National Park (MBNP) in Indonesia. The project would contribute to the conservation of the Meru Betiri National Park with financing from 7&i Holdings Ltd. of Japan under a pilot public - private partnership. The project is designed to reduce emissions from deforestation and forest degradation and to enhance forest carbon stocks through enhanced community participation in conservation and management of the MBNP as an integral part of the larger landscape in which they live.

The MBNP had been under increasing threat of deforestation and forest degradation due to illegal logging and encroachment. The project is specifically designed to improve the livelihoods of local communities living inside the MBNP and surrounding areas and would also develop a credible measurable, reportable and verifiable system for monitoring emission reductions from avoiding deforestation and forest degradation and enhancement of forest carbon stocks in the MBNP.



Dr. Hadi Pasaribu, Senior Advisor to the Indonesia's Minister of Forests; Dr. Jusuf Anwar, Indonesia's Ambassador to Japan; Mr. Emmanuel Ze Meka, ITTO Executive Director (L-R) sign the project Agreement



A small girl holds a local fruit, *astocarpus elasticus*  
Photo credit: ITTO Project PD 016/99 Rev. 2

ITTO Project PD 057/99 Rev.2(F) encourages the adoption of good forest management practices by timber companies in the Brazilian Amazon  
Photo credit: ITTO Project PD057/99 Rev.2(F)



# FINANCING OF ITTO THEMATIC PROGRAMMES

Pursuant to ITTC Decision 10(XLIV) and based on the approved Thematic Programme Profiles (TPP), draft Thematic Programme Documents (TPDs) consistent with the procedures and guidelines established in Decision 9(XLIV) Annex 2 have been developed for the Thematic Programme on Forest Law Enforcement, Governance and Trade (TFLET) and on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES).

The Executive Director invited Member Countries to nominate Members to serve on the Thematic Programme Advisory Committees (TPAC), to assist with the implementation of the thematic programme, viz., to (i) select activities/pre-projects/projects for financing under the Thematic Programme; (ii) monitor and

evaluate progress in implementing the Thematic Programme; and (iii) identify potential additional sources of voluntary financial contributions to the Thematic Programme. Each TPAC include three producer member representatives with recognized expertise on the thematic programme; at least one non-donor consumer member representative with recognized expertise on the thematic programme; and expert representatives of interested donors and collaborating institutions and the Executive Director or his designated representative.

First meetings of the REDDES and TFLET TPAC were held in Yokohama, Japan on 30-31 March 2009 and 2-3 April 2009, respectively. The Draft Thematic Programme Documents were reviewed in detail, revised and adopted. Both Committees noted the need for mid-term evaluation, assessment of TP impacts, regular monitoring and evaluation of each project and for ensuring the regular flow of funds for the TP implementation. The adopted TPDs, together with guidance for submission of proposals were circulated to all ITTO Member Countries in April 2009. TP sections were created for each TP on the ITTO homepage and launched in April 2009.

A 'Monitoring Protocol' document to guide programme monitoring and evaluation is being developed for each Thematic Programme to establish a planning, monitoring and evaluation framework, which will serve as a main reference for measuring performance and success.

In 2009, two Calls for Proposals were launched for the REDDES and TFLET during the Spring and Autumn Cycles.



### The Spring 2009 Cycle

The Spring 2009 Cycle for REDDES and TFLET attracted sixteen (16) proposals from nine (9) member countries. Twelve (12) proposals seeking a total of USD 4,709,938 were received under REDDES while four (4) proposals seeking a total of USD 588,348 were received under TFLET.

Following the screening and pre-appraisal of the proposals by the ITTO Secretariat and the expert review through the respective Thematic Programme Advisory Committees (TPACs), two proposals were approved for funding:

#### REDDES Spring 2009 Cycle approved projects

Project ID	Submitting Country	Title	ITTO Funding
RED-A 004/09 Rev.1 (F)	ITTO	Building a voluntary carbon marketing scheme to promote sustainable forest management	\$ 97,180

#### TFLET Spring 2009 Cycle approved projects

Project ID	Submitting Country	Title	ITTO Funding
TFL-PPD 005/09 Rev.1 (F)	Thailand	Strengthening the capacity of local communities of Chaiphum Province to manage community forests	\$ 56,970

### The Autumn 2009 Cycle

The Autumn 2009 Cycle for REDDES and TFLET saw a substantial increase in the number of proposals submitted. The call attracted thirty-five (35) proposals from eighteen (18) member countries. Twenty-two (22) proposals seeking a total of USD 9,735,760 were received under REDDES while thirteen proposals

seeking a total of USD 6,045,988 were received under TFLET.

Following the established process of screening, pre-appraisal and expert review, fourteen (14) proposals were approved for funding- nine under REDDES and five under TFLET.

#### REDDES Autumn 2009 Cycle approved projects

Project ID	Submitting Country	Title	ITTO Funding
RED-PD 018/09 Rev.1 (F)	Peru	Sustainable forest management and utilization of ecosystem services in forests managed by the Ese'Eja native community in Infierno, Peru	\$356,519
RED-SPD 020/09 Rev.1 (F)	China	Development and demonstration on scheme of payment for environmental services (PES) derived from degraded and secondary tropical production forests in China.	\$149,040
RED-PD 007/09 Rev.2 (F)	Indonesia	Enhancing forest carbon stock to reduce emission from deforestation and degradation through sustainable forest management (SFM) initiatives in Indonesia	\$447,071
RED-SPD 009/09 Rev.2 (F)	Indonesia	Promoting the partnership efforts to reduce emission from deforestation and forest degradation of tropical peatland in south Sumatra through the enhancement of conservation and restoration activities	\$149,493
RED-PD 005/09 Rev.2 (F)	Guyana	Strengthening Guyana's capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation	\$400,680
RED-A 023/09 Rev.1 (F)	DRC	Technical Support for the Development of a National Forest Inventory in the Democratic Republic of Congo to assess carbon stocks and changes in carbon stocks of forest land	\$476,820

Project ID	Submitting Country	Title	ITTO Funding
RED-PPD 006/09 Rev.2 (F)	Guatemala	Local REDDES programme for development and addressing climate change in Guatemala: Building social processes for sustainability	\$82,080
RED-PD 026/09 Rev.1 (F)	Ghana	Reducing emissions from deforestation and forest degradation through collaborative management with local communities	\$658,716
RED-PD 029/09 Rev.1 (F)	Brazil	Monitoring deforestation, logging and land use change in the Pan Amazonian Forest - PANAMAZON II	\$1,124,784
REDDDES Autumn 2009 Cycle TOTAL			\$ 3,845,203

#### TFLET Autumn 2009 Cycle approved projects

Project ID	Submitting Country	Title	ITTO Funding
TFL-SPD 007/09 Rev.1 (M)	Ghana	Strengthening the capacity of small-medium enterprises in Ghana to produce and trade in timber products from legal and sustainable sources	\$163,039
TFL-PD 010/09 Rev.1 (M)	Indonesia	Strengthening the capacity of related stakeholders in Java on implementing new Indonesian TLAS	\$474,163
TFL-PD 003/09 Rev.2 (M)	Cameroon	Improving governance and transparency of timber harvests and trade in Cameroon	\$365,526
TFL-PD 014/09 Rev.1 (M)	Cameroon	Reduction of illegal logging through better governance of community forests in the Lom et Djerem Division, East region, Cameroon	\$302,562
TFL-PPD 001/09 Rev.2 (M)	Colombia	Implementing and promoting sustainable forest management through formulation of an action plan for improved forest law enforcement and governance in Colombia	\$91,498
TFLET Autumn 2009 Cycle TOTAL			\$ 1,396,788

The Forty-fifth Session of the International Tropical Timber Council (ITTC) held in Yokohama, Japan, 9-14 November 2009 announced funding of US\$3.5 million towards the Thematic Programmes, including US\$ 2.0 million in initial funding to launch the programmes on Community Forest Management and Enterprises

(CFME) and on Trade and Market Transparency (TMT). US\$ 575.000 was pledged for REDDES and US\$ 949.380 for TFLET. No pledges have been received to date for the Thematic Programme on Industry Development and Efficiency (IDE).

#### The funding status of the ITTO Thematic Programmes is as follows:

TP	TP Total envisaged	Funding pledged	Remaining Balance	Donors
REDDDES	\$ 18,000,000	\$ 4,438,958	\$ 13,561,042	Norway, Switzerland Japan, USA
TFLET	\$ 15,000,000	\$ 5,846,384	\$ 9,153,616	Netherlands, UK (DFID), Japan, Switzerland, USA, Australia, New Zealand, Finland, Norway, Republic of Korea, Japan Lumber Importers' Association
CFME	\$ 10,000,000	\$ 1,000,000	\$ 9,000,000	Japan, USA, Switzerland, Norway, Sweden
TMT	\$ 5,000,000	\$ 1,000,000	\$ 4,000,000	Switzerland, USA, Japan, Finland
IDE	\$ 10,000,000	\$	\$ 10,000,000	

Information on the ITTO Thematic Programmes is available at the ITTO website [www.itto.int](http://www.itto.int)



ITTO Fellow, Ms. Prudence Yombiyeni (Gabon) undertaking a research training on "Wood Decaying Funguses" at the Catholic University of Louvain in Louvain, Belgium.

ITTO Fellow, Mr. Michael Fofana (Liberia) undertaking an International Training Course in "Scaling-up Agroforestry for Livelihood and Sustainable Development" at TREES in the University of the Philippines, Los Baños, Philippines



# FELLOWSHIPS

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

As of December 2009, the Programme, which began in 1989, has enabled more than 1000 young and mid-career people from over 40 countries working for government, universities, research institution, civil society and the private sector to pursue their professional development and improve their career prospects. The fellowships are mainly awarded to nationals of ITTO producer member countries. Twenty-seven percents of the fellowships have been awarded to people from Africa, 34% to people from Asia/Pacific and 24% to people from Caribbean/Latin America. On the other hand, 12% of the fellowships have been awarded to people from developing consumer countries, such as China and Nepal, and 4% to people from developed consumer countries.

The total value of fellowships awarded to date amounts to about US\$6.1 million. The programme supports mainly short-term activities, such as participation in international conferences, training courses



ITTO fellow, Alberto Carvajal Guerrero Cesar (Colombia) at the XX International Intensive Course on Diversified Management of tropical forests, CATIE, Turrialba, Costa Rica

and study tours. However, it also helps people to prepare manuals and monographs and provides small grants for post-graduate study.

ITTO Fellowship Programme encourages capacity development of women foresters, and has supported 281 women to undertake fellowship activities, which accounts for 25 % of the total number of fellowships.

In 2009, two Fellowship Selection Panels were convened under an electronic procedure to evaluate and recommend fellowship applications to the Council. In the Spring Session, 23 fellowships were approved and awarded at the total cost of US\$149,575. In the Autumn Session, 22 fellowships were approved and awarded at the total cost of US\$149,015.



ITTO Fellow, Mr. Abraham Baffoe (Ghana) inspecting logging operations in the Western Region of Ghana

## Fellowships Awarded in 2009

Name of Fellow	Country	Activity
Mr. Krishna Prasad Acharya	Nepal	Participating in the XIII World Forestry Congress in Buenos Aires, Argentina
Dr. Victor Kwame Agyeman	Ghana	Publishing a Book on "Taking Stock: An Annotated Bibliography of Logging Damage and Recovery in Tropical Forests and the Results of New Research in Ghana"
Dr. Balasubramanian Arunachalam	India	Undertaking a Short Laboratory Training in "Methodologies to Quantify Carbon Sequestration in Afforestation Plantation" at the University of Guelph in Ontario, Canada
Mr. Issaka Assoumanou	Togo	Undertaking a Masters Program in Tropical Forest Participatory Management at Ecole National des Eaux et Forêts in Ouagadougou, Burkina Faso
Ms. Njoya Angela Betieh	Liberia	Undertaking a Masters Program in Forest Monitoring and Assessment Techniques in the Tropics at the University of Applied Forest Sciences in Siegen, Germany
Mr. Jagadish Prasad Bhatta	Nepal	Undertaking a Masters Program in Forestry at Institute of Forestry, Tribhuvan University in Pokhara, Nepal
Mr. Taksey Mytter Dobon	Papua New Guinea	Attending an Environmental Management Training Course at Galilee College in Mahalal, Israel
Mr. Marra Dourma	Togo	Preparing a Technical Document on "Contribution to the Management of Clear Forests of <i>Isobertia</i> spp. In Guinean Ecological Zone of Togo: Diversity, Ecology, Structure and Extractivism"
Ms. Ernestine Eyvette Etanghi	Cameroon	Attending a Post-graduate Diploma Course in Forest Ecosystem and Climate Change Management in the Tropics and Sub Tropics at the Institute for the Environment, Forest and Landscape Research in University of Jena, Germany
Ing. Anibal Alberto Jadan Guanin	Ecuador	Attending the XXI International Intensive Course on Diversified Management of Tropical Natural Forests at CATIE in Turrialba, Costa Rica
Ms. Pabitra Jha	Nepal	Undertaking a Masters Program in Management of Protected Areas at University of Klagenfurt in Klagenfurt, Austria
Mr. Pal Mohinder	India	Attending an International Training Course on "Climate Change and Desertification Processes" organized by WMO in Tel Aviv, Israel
Mr. Pierre Ngangoumoun	Cameroon	Undertaking a Masters Program in Remote Sensing and GIS at Centre Regional African des Sciences et Technologies de l'Espace en Langue Française in Rabat, Morocco
Ms. Bobelé Florence Niamke	Cote d'Ivoire	PhD Programme on "Physical and Chemical Determinants on the Creation of Duramen and the Durability of the Teak Wood of Cote d'Ivoire" at CIRAD & University of Montpellier in France
Mr. Athuahene Yaw Nyako	Ghana	Attending a Short Training Course in "Climate Change and Development" at Overseas Development Group of the University of East Anglia in Norwich, U.K.
Ms. Deepa Paudel	Nepal	Preparing a Technical Document on "Impact of Invasive Plant on Tropical Timber Species" at Institute of Forestry, Tribhuvan University in Pokhara, Nepal
Ing. Edwin Franco Ponce Ramirez	Ecuador	Participating in the XXI International Intensive Course on Diversified Management of Tropical Natural Forests at CATIE in Turrialba, Costa Rica
Dr. Elizabeth Mangaya-Ay Remedio	Philippines	Participating in the XIII World Forestry Congress in Buenos Aires, Argentina
Mr. Ashutosh Subhash	India	Attending a Short Course on Climate Change and Development at the Overseas Development Group at the University of East Anglia in Norwich, U.K.
Dr. Debabrata Swain	India	Attending a Certificate Course in Principles and Applications of Remote Sensing and GIS in Four Application Fields at International Institute for Geo-Information and Science and Earth Observation (ITC) in Enschede, the Netherlands
Ing. Luis Trevejo Loayza	Peru	Attending the X International Course on Economic and Institutional Valorization for the Management of Environmental Services at CATIE, Turrialba, Costa Rica
Mr. Felipe Veluk Gutierrez	Brazil	Undertaking a Masters Program in Management and Conservation of Tropical Forest and Diversity at CATIE in Turrialba, Costa Rica
Dr. Shuirong Wu	China	Participating in the XIII World Forestry Congress 2009 in Buenos Aires, Argentina
Ms. Kriti Acharya	Nepal	Master's Program in Natural Resource Management and Rural Development at Tribhuvan University, Institute of Forestry in Pokhara, Nepal

Name of Fellow	Country	Activity
Mr. Abraham Addo-Ansah Allotey	Ghana	Short Training Course in Honeybee Queen Breeding and Sustainable Techniques of Hive Products Harvesting Processing and Marketing for Sustainable Forestry and Community Development at Baraka Agricultural College in Molo, Kenya
Mr. Charles Anin-Agyei	Ghana	M. Phil Program in Forestry with emphasis on Climate Change and Natural Forest Dynamics in Ghana High Forest Zone at the University of Aberdeen, U.K.
Mr. Juan Rommel Baluarte Vasquez	Peru	Training in Growth Modeling of 15 Commercial Timber Species in Permanent Sample Plots Established for Silvicultural Trials in Tropical Alluvial Flood Forests of Loreto, Peru
Ms. Maria Isabel Amando Barros	Brazil	International Seminar on Protected Area Management at the University of Montana, Missoula, U.S.A.
Ms. Ana Maria Briceño Jimenez	Colombia	Master's Research in Mangement and Growth Rate of Natural Dry Forest in relation to Climate Change at Universidad del Tolima in Tolima, Colombia
Dr. Maheshwar Dhakall	Nepal	Preparation of Document on "Sustainable Forest Management in Nepal: Market-Chain Analysis of Timber from Producers to Consumers"
Mr. Lillia Suyapa Doblado Amador	Honduras	Master's Program in Management and Conservation of Tropical Forests and Biodiversity at CATIE in Turrialba, Costa Rica
Mr. Edem Kodzo Ekpe	Ghana	Ph.D. Research on "Livelihoods Support Activities in Forest-Fringe Communities and Their Effects on Attitudes towards Tropical Timber Conservation in Southeastern Ghana" at the University of Central Florida, U.S.A.
Mr. Haroun-Al-Rashid Idiris Jaji	Philippines	Ph.D Research Fieldwork on "Conflict and Natural Resources Management in Conflict-Affected Watersheds in the Philippines" at the State University of New York, Syracuse, U.S.A.
Mr. Yao Roger Kouadio	Cote d'Ivoire	Ph.D Research on "The Factors of Classification of Small Mammals for the Conservation and Value Enhance of the Banco National Parc, Cote d'Ivoire" at UFR Biosciences, the University of Cocody, Abidjan, Cote d'Ivoire
Mr. Pradeep Kumar	India	Short Training Course on "Species Distribution Modeling Methods for Conservation Biologists" at Center for Biodiversity Conservation of the American Museum of Natural History, Arizona, U.S.A.
Dr. Aida Baja Lapis	Philippines	Publication of "Field Guide of Philippine Rattans"
Mr. Manuel Sabino Mollinedo Garcia	Guatemala	Ph.D. Program in Forest Science and Engineering of Renewable Natural Resources at Universidad de Córdoba in Spain and Universidad de Concepción in Chile
Mr. Michel Ndjondo	Gabon	Master's Program in Agronomy and Agribusiness with emphasis on Environmental Management of Ecosystem and Tropical Forests at Montpellier SupAgro, Institut des Région Chaudes in Montpellier, France
Mr. Régis Aristide Ngueregaye	Central African Rep.	Master's Program in Sustainable Management of Forest Resources at Université Polytechnique de Bobo Diolasso in Burkina Faso
Mr. Lwin Ohn	Myanmar	Preparation of Document on "Collecting and Sharing Field Experiences on Management of Forest Plantations in Myanmar"
Ms. Sandra Acheampong Owusu	Ghana	M.Phil Research on "African Mahogany Stock-plant Age, Anatomy of Leafy Cuttings and Rootability in Different Potting Media" at Kwame Nkrumah University of Science and Technology, Kumasi, Ghana
Mr. Guy Alain Tagne Tiam	Cameroon	Ph.D. Research on "Tropical Altitudinal Vegetation: Ecological Diversity and Renewable Natural Resources in Mount Oku." at Center for Environment and Development in Yaoundé, Cameroon
Ms. Sunita Ulak	Nepal	Master's Research on "An Assesemnt of the Effects of Invasive and Alien Plant Species on Growth and Development of Tropical Timber Species" at Tribhuvan University, Institute of Forestry in Pokhara, Nepal
Ms. Sin Yeng Wong	Malaysia	Harbaria Trip to Kew Herbarium, Nationaal Herbarium Nederland, Herbarium München Systematische Botanik, Botanical Museum Berlin-Dahlem and Bogor Herbarium for the Family Araceae
Ms. Jummai Othniel Yila	Nigeria	Ph.D. Research on "Institutional Changes in Forest Management: Analysis of Forest Use Patterns, Livelihood Strategies and Extent of Praticipation of Forest Users in the Tropical Rainforest in Boki Distrcit of Cross River State in Nigeria' at AIT, Thailand



Field visit during ITTO training workshop on tropical forestry and timber trade statistics in Iquitos, Peru

Family in Canoe  
Photo credit: Fotonatural



# ITTO DIAGNOSTIC MISSIONS

## Diagnostic Mission to Cameroon

ITTO undertook a diagnostic mission to Cameroon in September 2008 to identify factors which most severely constrained the progress towards the ITTO Objective 2000 and sustainable forest management in that country. However, the report was presented to the Council in November 2009. The mission was led by Dr. Kouami Kokou. Other members of mission were: Messrs Karl-Hermann Schmincke, John T. Woods, Samuel Ebamane Nkoumba and John Palmer.

Some of the constraints identified by mission were:

- Land tenure and property rights giving rise to long-standing conflicts adverse to a secure forest estate;
- Conflicts of interest between logging operators and communities in forest areas assigned for harvesting operations;
- Illegal logging operations in non-permanent forest estate
- Inadequate manpower for enforcement and control of logging activities or forest management plans;
- Lack of transparency in the activities of the Ministry of Forestry and Wildlife;
- Inadequate deterrent sanctions on illegal loggers leading to widespread illegal logging activities, especially in “small-hold titles”; and
- Influence peddling and corruption..

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

The mission made a number of recommendations to the Government of Cameroon including:

- Develop formal policy and associated strategy aimed at the further processing of forest products at both artisan and industrial scales, in order to create more added value and jobs, while keeping harvesting levels in line with annual allowable cuts;
- Improve the forest resources awarding mechanism in consultation with stakeholders and through appropriate transparent awarding procedures, in order to increase forest revenue levels accruing to the state;
- Harmonizing customs duties to minimize the number of frauds at customs;
- A portion of the revenue from taxes levied on forest products should be directly handed to MINFOF to support SFM efforts;
- Provide a land tenure system that is potentially supportive of forestry development in both the permanent and non-permanent forest estates;
- Update the 1992 zoning plan and developing land-use master plans for subsequent land development projects;
- Develop an incentive policy for the development of small- and medium-sized forest enterprises;
- Undertake thorough and adequate reforms within the Forest Administration;
- Reorganize forestry training in vocational schools and colleges to meet the needs of MINFOF and other partners in the forest sector;
- Update the Forest Policy of 1993, the Forestry Code of 1994 and its enactments by involving all stakeholders;
- Enforce legal provisions on small logging license holders to support the efforts of the artisan sector to abandon illegal logging practices and to ensure a steady supply of the domestic market; and
- Invest the revenue returned to the communities in local development projects rather than surrendering these funds to local authorities.





The representative of Japan, **Mr. Toshikatsu Aoyama**, expressed his appreciation for the efforts made by the technical mission in highlighting the critical issues regarding the current situation in Cameroon. **Mr. Hideaki Takai** of Japan also welcomed the strong commitment made by the representative of Cameroon to improve its forest management practices.



Domestic timber market in Cameroon

# TRADE AND CIVIL SOCIETY ADVISORY GROUPS

2009 was particularly an active year for ITTO's Civil Society Advisory Group – CSAG. The Group actively participated in the International Conference on Forest Tenure, Governance and Enterprises held in Yaoundé, Cameroon, on 25-29 May 2009 where a declaration by African women on forest tenure, governance and enterprises was made. CSAG also elected a new governance body for the Group. As of July 1, 2009, the new Governance Group comprised of:

## Co-Chairs

Chen Hin Keong, Producer Country co-chair and official contact person for CSAG

[hkchen@pc.jaring.my](mailto:hkchen@pc.jaring.my)

Augusta Molnar, Consumer Country Co-chair

[amolnar@rightsandresources.org](mailto:amolnar@rightsandresources.org)

## Asia Focal Points

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Christine Wulandari, FKMM, Indonesia

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## Latin America Focal Points

Alberto Chinchilla, ACICAFOC, Costa Rica

[achinchilla@acicafof.org](mailto:achinchilla@acicafof.org)

New focal point to be selected

## Africa Focal Points

Cécile Ndjebet, Cameroon Ecology, Cameroon

[cndjebet@yahoo.com](mailto:cndjebet@yahoo.com)

Francis Colee, Green Advocates, Liberia

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## Ex-officio Advisors

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Yam Malla, RECOFTC

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The Civil Society Advisory Group also organized a side-event in conjunction with the Forty-fifth Session of the International Tropical Timber Council to present the results and follow up actions of the Yaoundé Conference on "Tropical Forest Tenure Assessment, Policy Reforms and Challenges." Particular reference was made to the need to raise sufficient funding for the new ITTO Thematic Programme on Community Forest Management and Enterprises (Decision 10/LXIV), seen by CSAG members as an excellent avenue for collaboration between ITTO and civil society groups in producer member countries.



Augusta Molnar, Rights and Resources Initiative, noted the increasing importance of community based forest management (CBFM) and the need for funding of the ITTO Thematic Programme on CBFM



**Cecile Ndjebet**, African Women's Network for Community Forests, noted that both customary and national laws are weak in affording tenure to women in Africa

### ITTO Annual Market Discussion 2009

The ITTO Annual Market Discussion 2009 was held in a joint session of the Committees during the Forty-fifth Session of the Council under the theme "Tropical Timber Markets at a Crossroads - Buyers Perspective". It was organized by the Trade Advisory Group.

Presentations were made by five speakers covering the perspectives of the major consuming markets namely United Kingdom (UK), European Union (EU), China, India, Japan and United States of America (USA).

While virtually all of the established markets had been adversely impacted by the global economic crisis, the prospects for recovery varied among these markets, with Europe, Northern America and Japan apparently being the hardest hit. It was noted that the economy

of China was the least affected and a surge in investment in wood product processing capacity coupled with favourable domestic market growth would provide the much needed opportunities for exporters. In sharp contrast, India experienced continued growth in imports of wood products in 2009 and demand was expected to rise further in tandem with the sustained economic growth.

The presentations provided valuable insights of the peculiarities of the markets featured, ranging from the changing market requirements in EU to the quest for the adoption of latest technologies in China, the growing dependence on imports of wood products by India, the continuing decline in consumption and imports in Japan, and the gravity of the situation in USA where the global economic crisis originated.



**Mr. Y. Ohashi**, Secretary-General of Japan Lumber Importers Association presented the timber imports and the market situation in Japan.



**Dr. Stefan Willie** of AKTRIN Group presented the characteristics of the American wood and wood products markets, including American standards and certification for wood and wood products. He stated that the USA imports – during healthy economic conditions – about 350,000 m<sup>3</sup> of tropical hardwood lumber. By volume representing 18% of overall hardwood lumber Imports or (23% by value).



**Mr. Wu Shegfu** of China National Forest Products Industry Association presented Tropical Timber and the Changes in the Chinese market.



Panelists at the Annual Market Discussion

**Dr. Andy Pitmam** of TRADA Technology (second from right) provided an overview of the trends and drivers of timber consumption in the UK and the wider EU. He highlighted trends in the construction sector and the growing requirement for 'responsibly sourced' timber. He noted that competitors to timber (notably steel and concrete), especially in the construction sector, are actively promoting the environmental credentials of their products. Dr Pitman concluded his presentation with an informative overview of the growing competition faced by tropical timber products from a suite of new chemically and physically 'modified' wood products.

**Mr. Ramkrishna Somaiya** of Indian Timber Importers Association (third from right) reported that timber imports in 2008 were up about 10% and that exports were up about 15%. He indicated that India imports annually around 16 mil cubic metres of wood but that it requires some 85 million cubic metres to satisfy demand.



Tropical Plywood Curing and Inspection  
Photo Credit: Samling Corporation, Malaysia

Logs transport by river barge, Republic of Congo  
Photo credit: CIB



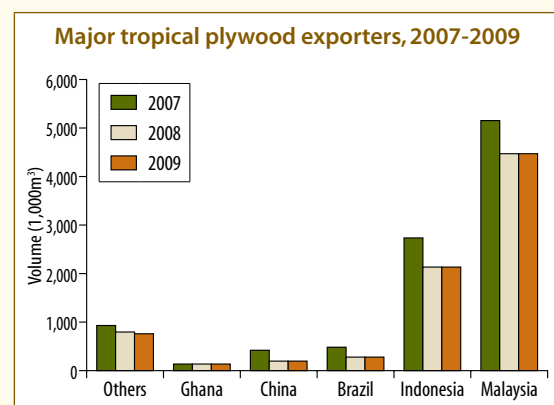
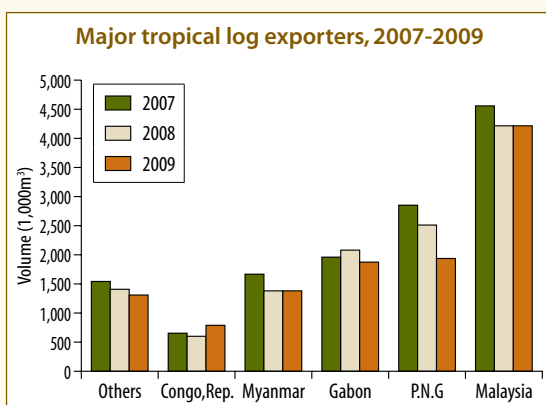
# Annual Review and Assessment of the World Timber Situation 2009

In 2009 the tropical timber trade was severely impacted by the global financial and economic crisis as demand conditions continued to deteriorate in major consuming countries - the USA, the EU and Japan - and competition from softwood and non-wood products intensified. Housing starts and other construction activity in the USA and EU countries declined significantly, adversely affecting the demand for tropical wood products. Although economic conditions began to stabilise in the USA, housing starts remained at relatively low levels while in EU countries the economic outlook remained subdued. The prospects of a recovery in tropical hardwood demand in major consuming countries in 2010 remain uncertain.

Tropical log exports from ITTO producer countries declined in 2008 and 2009, with Malaysia continuing to dominate the trade which was predominantly to Asian countries - China, India, Japan and Taiwan POC. Papua New Guinea's tropical log exports followed this trend and also declined in 2008 and 2009 with most exports destined for China. Gabon was also an important tropical log exporter in 2009, although significant log export restrictions were expected to be implemented in 2010. The Republic of Congo - another major African log exporter - increased log exports in 2009 as a result of significant closure of wood processing capacity as demand and prices for processed products plummeted in traditional export markets. The forest and wood processing industries in many ITTO African producer countries were seeking government relief through the revision of various forest, processing and export taxes.

While exports of tropical plywood from Malaysia and Indonesia remained relatively stable in 2009, China's plywood industry, which had experienced significant production growth until 2007, was significantly downsized in 2008 and 2009 in response to tightening of technical standards governing the physical and environmental performance of panel products in the US and EU markets. Technical advances in softwood plywood manufacturing and the availability of alternative materials facilitated the loss of tropical hardwood's market share in traditional panel markets.

Prices of primary tropical wood products plunged in 2009 as the effects of the global economic downturn took effect in major markets. Reductions in demand, rather than supply restrictions, played an important role in pushing down prices although prices generally showed some stabilisation in 2009, although at rela-



tively low levels.

Growth in imports of secondary processed wood products (SPWPs) began to slow in 2008<sup>1</sup> in the EU countries due to the ongoing effects of the global financial and economic crisis. In the USA, the world's largest country importer of SPWPs, the impacts of the economic downturn were more dramatic with SPWP imports declining in value as housing activity and consumer spending weakened. The world's total imports of SPWPs reached \$92.5 billion in 2008, slightly more than in 2007 (1.2%), but only one tenth of the previous year's growth. Total imports of SPWPs by ITTO consumer countries declined in value for the first time in five years by \$1.5 billion. However, more than 70% of the trade in SPWPs continued to be between ITTO consumer countries.

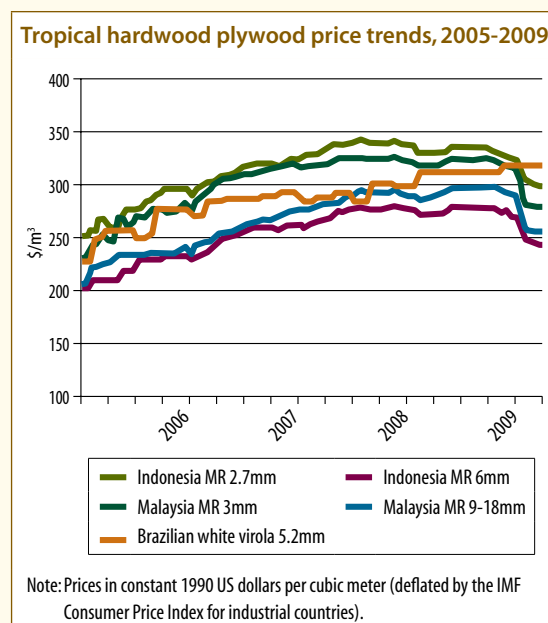
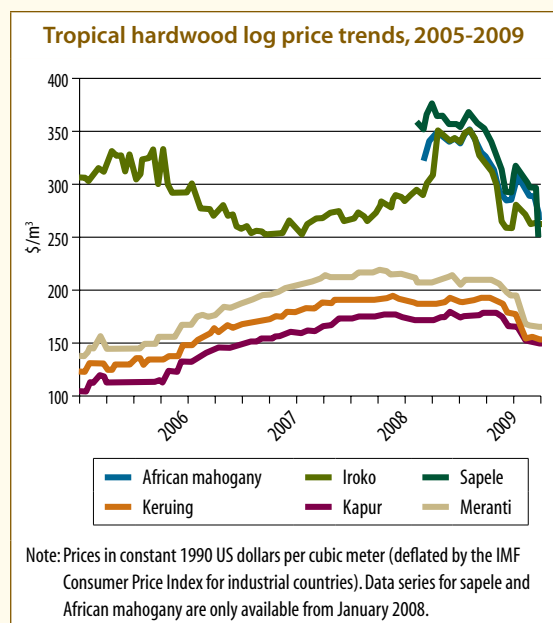
China, which has dominated world exports of SPWPs since 2003, accounted for 24% of ITTO consumers' exports in 2008. However, due to the weak demand in major markets, particularly the decline in wooden furniture imports from the USA, as well as strong competition from other producers, the rapid growth of China's SPWP exports slowed in 2008 to less than 2%, compared to average growth of about 20% over the past few years. By contrast, Vietnam – the largest tropical SPWP exporter - continued to experience significant growth in SPWP exports in 2008 despite the economic conditions in major export markets.

### Production and trade of primary tropical timber products, 2007-2009, ITTO total (million m<sup>3</sup>)

	2007	2008	2009	% change 07-09
<b>Logs</b>				
Production	141.8	141.0	140.0	-1.3
Imports	15.0	12.8	11.0	-26.0
Exports	13.1	11.8	11.4	-13.0
<b>Sawnwood</b>				
Production	43.3	44.0	43.7	0.01
Imports	8.9	8.0	7.2	-19.0
Exports	11.8	10.0	10.0	-15.3
<b>Plywood</b>				
Production	19.9	18.4	18.4	-8.2
Imports	8.0	6.7	6.7	-16.2
Exports	9.7	8.0	8.0	-17.5

The emergence of policy initiatives targeting illegal logging through various FLEG initiatives at international and national levels are considered to have the potential to increase the competitiveness of legally sourced tropical timber products by removing cheaper illegal products and improving consumer perceptions of their environmental credentials. In 2009, there was significant debate regarding the likely market impacts of policy initiatives such as the FLEGT VPAs, public sector procurement policies, the US Lacey Act amendment and the EU's proposed "due diligence" legislation, with uncertainty on whether they will improve enforcement while not imposing unnecessary costs on legitimate operators.

1 The latest comprehensive annual data available for SPWPs is for the year ended December 2008.



# FINANCIAL STATEMENTS

## ALLOCATIONS/PLEDGES BY DONORS TO THE SPECIAL ACCOUNT AND THE BALI PARTNERSHIP FUND

(Pledges on Thematic Programmes are shown separately)

(in United States Dollars)

PRE-PROJECT SUB-ACCOUNT:	2009	2008	2007
AUSTRALIA			\$17,500.00
FINLAND	\$30,000.00	\$95,198.57	\$20,000.00
FRANCE	\$69,400.00		
JAPAN	\$428,533.00	\$770,927.00	\$340,947.00
NEW ZEALAND		\$56,295.00	
NORWAY	\$10,000.00		\$56,538.00
REP. OF KOREA	\$20,000.00		\$20,000.00
SWITZERLAND	\$500,000.00	\$420,000.00	\$320,000.00
U.S.A.	\$35,000.00	\$380,098.00	\$100,000.00
TOTAL:	\$1,092,933.00	\$1,722,518.57	\$874,985.00

### PROJECT SUB-ACCOUNT

AUSTRALIA			\$10,000.00
BELGIUM		\$118,000.00	
FINLAND			\$10,000.00
FRANCE			\$65,000.00
JAPAN	\$4,454,740.00	\$4,419,448.00	\$6,482,755.00
REP. OF KOREA	\$30,000.00	\$30,000.00	\$30,000.00
NORWAY			\$82,000.00
SWITZERLAND	\$106,700.00	\$706,040.00	\$1,338,800.00
U.S.A.	\$507,520.00	\$632,004.00	\$650,000.00
C.F.C.			\$480,511.00
7&I Holdings	\$814,590.00		
TOTAL:	\$5,913,550.00	\$5,905,492.00	\$9,149,066.00

### THEMATIC PROGRAMMES SUB-ACCOUNT:

	Total Pledges			
NORWAY	\$3,968,957.64	\$90,000.00	\$3,863,957.64	\$15,000.00
THE NETHERLANDS	\$3,000,000.00			\$3,000,000.00
JAPAN	\$1,992,171.00	\$1,000,936.00	\$391,195.00	\$600,040.00
SWITZERLAND	\$1,283,040.00	\$900,000.00	\$383,040.00	
U.K.	\$949,380.00	\$949,380.00		
U.S.A.	\$815,000.00	\$525,000.00	\$265,000.00	\$25,000.00
AUSTRALIA	\$85,000.00		\$35,000.00	\$50,000.00
FINLAND	\$69,263.00	\$34,064.00	\$20,000.00	\$15,199.00
NEW ZEALAND	\$37,530.00			\$37,530.00
SWEDEN	\$25,000.00	\$25,000.00		
REP. OF KOREA	\$10,000.00		\$10,000.00	
JLIA	\$50,000.00			\$50,000.00
TOTAL	\$12,285,341.64	\$3,524,380.00	\$4,968,192.64	\$3,792,769.00



**BALI PARTNERSHIP FUND: Unearmarked**

## Unearmarked Fund

Interest Receipts		\$413,005.32	\$675,428.76	\$1,157,038.92
	TOTAL:	<b>\$413,005.32</b>	<b>\$675,428.76</b>	<b>\$1,157,038.92</b>

**ITTO THEMATIC PROGRAMMES**

	Budget	Total Pledges			
TFLET	\$15,000,000.00	\$5,846,384.00	\$949,380.00	\$1,104,235.00	\$3,792,769.00
REDDES	\$18,000,000.00	\$4,438,957.64	\$575,000.00	\$3,863,957.64	
CFME	\$10,000,000.00	\$1,000,000.00	\$1,000,000.00		
TMT	\$5,000,000.00	\$1,000,000.00	\$1,000,000.00		
IDE	\$10,000,000.00				
	<b>\$58,000,000.00</b>	<b>\$12,285,341.64</b>	<b>\$3,524,380.00</b>	<b>\$4,968,192.64</b>	<b>\$3,792,769.00</b>

**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31**

(in United States Dollars)

ASSETS	2009	2008
Cash and time deposits	49,781,971	49,252,568
Arrears in contributions	5,925,280	6,188,036
Accounts receivable from Japan	393,433	359,767
Prepaid expenses	10,913	18,555
Advances to and receivable from staff members and others	820,248	331,328
Accrued interest on time deposits	44,194	43,112
Total Assets	\$56,976,039	\$56,193,367

**LIABILITIES AND CONTRIBUTION**

Accounts payable to staff members and others	14,544	14,723
Accrued liabilities	336,317	416,315
Membership contributions received in advance	225,023	102,040
Unappropriated fund	10,150,232	3,147,842
Reserve for programme support	4,291,693	5,392,598
Provision - Unsettled Advances	599,544	
Total Liabilities	15,617,353	9,073,518

**MEMBERS' FUND**

Administrative Account		
Special reserve	1,500,000	1,500,000
Reserve provided by interest income	2,274,484	2,311,157
Surplus of revenues over expenditures	7,393,237	7,974,314
Project Accounts		
Appropriated for specified projects	34,335,410	40,400,647
Japan Trust Fund	0	26,369
Unappropriated funds	-4,961,468	-5,717,492
Surplus from completed projects	817,023	624,855
	41,358,686	47,119,849
	\$56,976,039	\$56,193,367

## STATEMENTS OF REVENUES AND EXPENDITURES FOR THE YEARS ENDED DECEMBER 31

(in United States Dollars)

<b>Revenues:</b>	<b>2009</b>	<b>2008</b>
Contributions from member countries	5,576,616	5,353,538
Reimbursement by Japan	897,354	841,817
Voluntary contributions	8,258,563	8,562,596
Correction to prior year's budget	—	-109,520
Interest income	870,011	1,100,069
	15,602,544	15,748,500
<b>Expenditures:</b>		
<b>Administrative Accounts</b>		
Salaries and benefits	4,649,691	3,921,579
Installation costs	35,618	61,378
Official travel	192,634	189,408
Social security	752,496	648,284
Special activities	107,297	121,593
Data processing	194,853	172,748
Other costs	330,691	299,541
Council meetings	750,914	628,169
Exchange loss, net	45,021	66,222
Write-off of arrears in contributions	—	38,626
Write-off of advance payment	12,628	—
Provision cost for unsettled advance payments	63,522	-364,143
	7,135,365	5,783,406
<b>Project Accounts</b>		
Project cost	14,176,255	16,843,580
Exchange loss, net	11,437	—
Prior Year Adjustments	473,040	—
Provision cost for unsettled advance payments	-249,575	—
Total	21,546,522	22,626,986
<b>Excess of revenues over expenditures</b>	<b>(\$5,943,978)</b>	<b>(\$6,878,486)</b>
	-5,943,978	-6,878,486











# APPENDIX 1

## Member States and Votes as at 31 December 2009

### PRODUCING MEMBERS

No. of Votes


#### Africa

 Cameroon	27
 Central African Republic	26
 Congo	26
 Côte d'Ivoire	26
 Democratic Republic of the Congo	26
 Gabon	27
 Ghana	26
 Liberia	26
 Nigeria	26
 Togo	26

#### Asia & Pacific

 Cambodia	16
 Fiji	14
 India	28
 Indonesia	90
 Malaysia	109
 Myanmar	44
 Papua New Guinea	34
 Philippines	15
 Thailand	19
 Vanuatu	13

#### Latin America/Caribbean

 Bolivia	25
 Brazil	145
 Colombia	24
 Ecuador	15
 Guatemala	11
 Guyana	15
 Honduras	11
 Mexico	24
 Panama	12
 Peru	29
 Suriname	14
 Trinidad and Tobago	10
 Venezuela	21

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Total: 1,000

## CONSUMING MEMBERS

## No. of Votes

 Australia	16
 Canada	16
 China	229
 Egypt	16

## European Community

 Austria	11
 Belgium/  Luxembourg	16
 Denmark	13
 Finland	10
 France	38
 Germany	20
 Greece	12
 Ireland	15
 Italy	32
 Netherlands	32
 Poland	11
 Portugal	18
 Spain	30
 Sweden	11
 United Kingdom	32
 Japan	190
 Nepal	10
 New Zealand	11
 Norway	12
 Republic of Korea	82
 Switzerland	11
 United States of America	106

Total: 1,000

# APPENDIX 2

## 2009 ITTO Publications

### General Information

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- |          |   |
|----------|---|
| 1. GI-6  | Annual Report 2008  |
| 2. GI-7  | Annual Review 2008  |
| 3. GI-13 | Manual for project formulation THIRD EDITION  |
| 4. GI-14 | Manual for Project Monitoring, Reviewing, Reporting, and Evaluation   |
| 5. GI-15 | Manual on Standard Operating Procedures   |
| 6. GI-16 | Guidelines for the selection and employment of consultants, procurements and payments of goods and services |

### Pre-Project Publications

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- |                        |  |
|------------------------|--|
| 7. PPD 134/07 Rev.1(F) | Guidelines for the Restoration of Mangroves and other Coastal Forests Damaged by Tsunamis and other Natural Hazards in the Asia-Pacific Region |
|------------------------|--|

### Project Publications

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- |                          |  |
|--------------------------|--|
| 8. PD 264/04 Rev.3 (M,I) | CD PROTA 7 (1):Timbers 1/Bois d'oeuvre 1   |
| 9. PD 270/04 Rev.2 (F)   | Proceeding of the Seminar on Teak Seed Production Area Management and Tree Improvement   |
| 10. PD 389/05 Rev.2 (F)  | Application of the Internal Monitoring of SFM Performance at Forest Management Unit Level  |
| 11. PD 138/02 Rev.2 (F)  | Integrated Evaluation and Strategy for the Sustainable management of Secondary Forests in the Central Forest Region of Peru  |
| 12. PD 268/04 Rev.3 (I)  | International Workshop on Innovations in Tropical Forestry and Forest Product Industries (Innovations for Tropical Timber)   |
| 13. PD 270/04 Rev.2 (F)  | Ex-situ and In-situ Conservation of Teak ( <i>Tectona grandis</i> Linn.F) to Support Sustainable Forest Management   |
| 14. PD 251/03 Rev.3 (F)  | Evaluation of commercial stocks and strategy for the Sustainable Management of Mahogany ( <i>Swietenia macrophulla</i> ) in Peru   |
| 15. PD 103/01 Rev.4 (I)  | Demonstration of Rubberwood Processing Technology and Promotion of Sustainable Development in China and other Asian  |
| 16. PD 199/03 Rev.3 (F)  | (1) Forest Genetic Resources Conservation and Management – Status in Seven South and Southeast Asian Countries<br>(2) Forest Genetic Resources Conservation and Management – Workshops of Seven South and South East Asian Countries |
| 17. PD 192/03 Rev.3 (M)  | 1. Project Completion Report<br>2. Comprehensive Information System (CIS)<br>3. Rubberwood Resource Information System (RRIS)<br>4. Wooden Furniture Information System (WFIS)   |

18. PD 295/04 Rev.2 (M)	Creating and Sustaining a Market for Environmental Services from China's Tropical Forests
19. PD 415/06 Rev.2 (M)	<ol style="list-style-type: none"> <li>1. Multimedia: Casos</li> <li>2. Multimedia: Transformación de la Madera</li> <li>3. Multimedia: Producción de la Madera</li> <li>4. Comercialización de la Madera</li> <li>5. Modulo Gestión y Planeación Estratégica de Proyectos Forestales Modulo Producción Forestal</li> <li>6. Modulo Ingeniería del Aprovechamiento Modulo Mercadeo Estratégico</li> <li>7. Modulo Mejoramiento Genético Forestal Modulo Procesos y Productos Forestales</li> </ol>
20. PD 286/04 rev.1(I)	Strengthening the Capacity to Promote Efficient Wood Processing Technologies in Indonesia
21. PD 228/03 Rev.2 (F)	Tropical Forest Fire Monitoring and Management based on Satellite Remote Sensing Data in China
22. PD 37/00 Rev.1 (F)	"C&I India Update"

### ITTO Technical Series

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23. TS – 32	Gifts from the Forest
24. TS – 33	Encouraging industrial Forests Plantations in the Tropics Report of global study

### ITTO Policy Development Series

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25. PS- 17	ITTO/IUCN Guideline for the conservation and sustainable use of biodiversity in tropical timber production forests
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### Mission Reports

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26. MR-25	Mission d'appui au Gouvernement du CAMEROUN en vue d'atteindre l'Objectif 2000 de l'OIBT et l'aménagement forestier durable
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# APPENDIX 3

## Summaries of Projects Financed under the Regular Project Cycle in 2009

### Promoting Household Reforestation in Tropical Zone of Southwestern China through Development and Extension of Household-Oriented Techniques (China)

Project number	PD 501/08 Rev. 1 (F)	
Project country	Government of The People's Republic of China	
Budget	Total	US\$592,263
	ITTO Contribution	US\$353,435
	Donors	
	Japan	US\$353,435
	Government of China	US\$238,828
Submitted by	Government of The People's Republic of China	
Implementing agencies	Yunnan Academy of Forestry (YAF)	
Financed at	Autumn 2009 (45th ITTC)	

#### Summary

In 2003, the Chinese Government commenced the collective forest land tenure reform to facilitate forest resource restoration and rural economy development through securing farmers' rights to use forest lands and their property rights of forest lands. Based on this reform, the 'household contract responsibility system' has been replicated as one of the major management systems in forest management. Farmers are motivated to participate in reforestation and forest management activities in tropical zone of Southwestern China as one of the responsibility parties in forest management. However, it is clear that lack of appropriate techniques for household reforestation has become a key constraint for forest resource restoration and management in Southwestern China after the implementation of the collective forest land tenure reform.

The project intends to develop and extend 'Household-Oriented Reforestation Techniques (HORT)', as a way to promote reforestation and rural development in tropical mountainous areas of Southwestern China. Specifically, HORT will be developed through close cooperation between the forestry research institute and local households, and transferred to households through establishment and capacity building of grassroots networks for the technique extension and information services. The immediate beneficiaries of the project outcomes will be household engaged reforestation and plantations management. They would mostly benefit from practical techniques and relevant information and training on tropical reforestation and sustainable forest management. The project will also help the local government in the formulation of forest policies and implementation of field activities for reforestation in mountainous rural areas.

## Towards Sustainable Indigenous Mahogany Timber Production in Ghana Phase II, Refining the Silvicultural “Tool Kit” and Practical Training for Industrial-Foresters and Community Farmers (Ghana)

Project number	PD 528/08 Rev.1 (F)	
Project country	Government of Ghana	
Budget	Total	US\$775,114
	ITTO Contribution	US\$465,264
	Donors	
	Japan	US\$445,264
	USA	US\$20,000
	Government of Ghana	US\$147,150 In kind
	Michigan Technological University SAMARTEX	US\$101,500 US\$61,200 In kind
Submitted by	Government of Ghana	
Implementing agencies	Forestry Research Institute of Ghana (FORIG)	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

Mahogany (Meliaceae Swietenidae) is a valuable tropical timber, but continued supply is threatened by overexploitation of natural forest reserves and the prevention of successful plantation culture by a single pest species, the shoot boring moth *Hypsipyla robusta*, that devastates young stands by killing main stems, causing excessive forking and branching, and, in worst cases, contributing to mortality. This project will demonstrate an integrated management strategy for plantation establishment incorporating a number of pest management measures based on sound experimental evaluation. This second phase will refine the silvicultural “tool kit” to optimize planting in mixed stands with an aim to reducing economic losses from *Hypsipyla*, and will promote the establishment of additional industry and community plantations through the development of a “How to” cultivate indigenous mahogany practical handbook and a series of field workshops for industry foresters and community farmers. Also comparable information on wood quality and lumber characteristics of plantation-grown mahogany and natural forest mahogany will be made available.

The following outputs are expected

- Practical methods for mass production of selected superior *Hypsipyla*-tolerant (upright growing and straight-stem) clones of the seven indigenous mahoganies of Ghana developed;
- Three hectares of new seed production orchards established for each *Khaya* and *Entandrophragma* species and convert approximately 5 ha of existing provenance trials to seed orchards with the 7 major indigenous mahoganies across the 4 major ecological zones of Ghana;
- Our silvicultural “tool kit” refined to optimize planting of mixed stands in the 4 major ecological zones (including pruning, thinning, shade and use of weaver ants as biological control agents);
- Wood quality and lumber properties from mature plantation-grown indigenous mahoganies that suffered *Hypsipyla* attacked at younger age are examined;
- Socioeconomic impacts of integrated agroforestry plantations of mixed mahoganies with various short-term crops are determined; and
- A practical “how to cultivate mahogany in plantations” manual is produced.



## Promoting Conservation of Selected Tree Species Currently Threatened by Habitat Disturbance and Population Depletion (Indonesia)

Project number	PD 539/09 Rev.1 (F)	
Project country	Government of Indonesia	
Budget	Total	US\$189,943
	ITTO Contribution	US\$149,710
	Donor	
	Japan	US\$149,710
	Government of Indonesia	US\$40,233
Submitted by	Government of Indonesia	
Implementing agencies	Center for Forest and Nature Conservation Research and Development – FORDA, Ministry of Forestry	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

The overall objective of this project is to contribute to the conservation of threatened species through the promotion of up-dating ecological and biological data and conservation efforts as part of Target 2010 of Global Biodiversity Challenge. Specifically, the project is designed (i) to identify and observe the vulnerability status of forest tree species currently threatened by various disturbances and (ii) to initiate and promote field actions in the conservation and protection of selected threatened species. Species to be included in the project work are *Diospyros* spp, *Eusideroxylon zwageri*, *Gonystylus macrophyllus*, *Michelia* spp and selected *Shorea* spp in line with the recommendations of a workshop held by World Conservation Monitoring Center (WCMC)-UNEP in Kuala Lumpur in 2007.

The project will be implemented by the Center for Forest and Nature Conservation Research and Development – FORDA, Ministry of Forestry and its main activities include reviewing the current status of forest tree species currently threatened by habitat; national workshops to review conservation status of selected forest tree species, including genetic resources; and establishment of plant genetic conservation gardens for selected species.

The expected outputs of the project include (i) update of data and information on conservation and protection status of tree species, (ii) information on the level of genetic diversity and vulnerability of threatened species and (iii) establishment of plant genetic conservation garden (gene pool) to ensure the conservation of target species and improved local stakeholder capacity.

## Encouraging Customary Landowners in the Lowlands of Central Province (PNG) to Reforest Their Grasslands with High Value Trees

Project number	PD 552/09 Rev.1 (F)	
Project country	Government of PNG	
Budget	Total:	US\$828,576
	ITTO Contribution:	US\$644,814
	Donor:	
	Japan:	US\$644,814
	Government of PNG:	US\$183,762
Submitted by	Government of PNG	
Implementing agencies	Papua New Guinea Forest Authority	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

The objective of the project is to create a model reforestation framework that encourages customary landowners in the Central Province lowlands to grow high value trees on their grasslands. The successful implementation of the project will lead to the expansion of long-term social, environmental and economic benefits for landowners in the Central Province lowlands through development of reforestation enterprises to promote an appropriate set of business models and production systems.

At present, grassland areas are extensive and increasing in size in PNG. Population densities are also rising and incomes levels are generally low. Importantly, these grassland areas are well linked to the national, provincial and district capitals. Based on the findings of implementing pre-project (PPD 124/06 Rev.2 (F)) which identified the key factors restraining landowners from growing high value trees as limited access to awareness as well as lack of training and support services, in close cooperation with local communities in the Central Province the project will be managed and sustained by the PNG Forest Authority and selected research and development partners will play a role in a way that builds on existing policies, programmes, resources and practices. Teak (*Tectona grandis*) will be a focal species to be promoted through a range of model business arrangements and production systems.

The expected outputs of the project include

- A reforestation awareness programme is in operation for landowners and the wider community in Central Province;
- A business training & support package is in operation for small-scale reforestation enterprises;
- An agro-forestry training & support package is in operation for small-scale reforestation enterprises; and
- A distribution system is in operation for small-scale reforestation enterprises with agro-forestry stock and materials.

## Assessment of Mangrove Forest Affected by Cyclone Nargis to Facilitate the Development of an Integrated Mangrove Ecosystem Management in Ayeyarwady Delta, Myanmar

Project number	PPD 143/09 (F)	
Project country	Government of Myanmar	
Budget	Total	US\$61,938
	ITTO Contribution	US\$61,938
	Donors	
	Japan	US\$41,938
	Korea	US\$20,000
	Government of Myanmar	Kyats 6,212,000
Submitted by	Government of Myanmar	
Implementing agencies	Forest Research Institute, Forest Department	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

The tropical cyclone 'Nargis' severely hit the lower parts of Myanmar, mainly Yangon and Ayeyarwady Divisions on the 2nd and 3rd of May 2008 claiming many lives and causing enormous destruction to infrastructure, villages, plantations and forests including food supplies. Out of a total of 0.5 million ha of Permanent Forest Estate (PFE) i.e. Reserved Forests and Protected Area Systems (PAS) in Ayeyarwady delta, about 14,000 ha of mangrove forests and 21,000 ha of forest plantations were damaged by the cyclone. The cyclone Nargis seriously affected the forestry sector, causing direct impact on mangrove forests and indirect impact on mangrove ecosystems. Thereby resulted in loss of habitats of aquatic species, decrease in fishery and agricultural products and seriously damage the infrastructure. As it was about a year ago, however there is no comprehensive information package which is entirely documented to review all activities done by different institutions. Based on the situation, Forest Department has been requested to conduct the environmental impact assessment of Nargis cyclone, and to implement restoration and rehabilitation activities as well as to establish a master plan of mangrove forest management. In order to do that, it is crucial to conduct an overall assessment through transparent discussion among stakeholders and institutions.

This pre-project will conduct a baseline survey for all actions of rehabilitation by international organizations, NGOs, companies and private entrepreneurs. The planned activities are to collect all available data and information on policy, programme activities that had been undertaken by concerned institutions. Focus of the pre-project activities will include the formulation of a full project proposal to facilitate integrated mangrove ecosystem management in Ayeyarwady Delta through a series of intensive key stakeholder consultation meetings.

## Sustainable Model for the Brazilian Wood Flooring Production Chain (Brazil)

Project number	PD 433/06 Rev.3 (I)	
Project country	Government of Brazil	
Budget	Total	US\$821,787
	ITTO Contribution	US\$516,927
	Donors	
	Japan	US\$466,927
	Switzerland	US\$50,000
	ANPM	S\$304,860
Submitted by	Government of Brazil	
Implementing agencies	National Hardwood Flooring Association (ANPM)	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

This project embraces the industrial production chain of wood flooring, with activities directed to forest management, manufacture process and, product utilization. Its Development Objective is to contribute to the sustainable and adequate utilization of forest resources from the Brazilian tropical forest. The Specific Objective aims to increase the efficiency in forest resources utilization by the production chain of solid wood flooring, from the forest to the final product, integrating extraction and utilization of commercial and less used timber species, improving drying and manufacture processes, adding value and quality to the product, promoting residues utilization, and providing social benefits to industry employees.

The project will be executed in collaboration with several Brazilian research institutions and universities. Expected outputs include a more diversified forest exploration; improvements in manufacture process, reducing residues generation, setting a flooring quality standard; and establishing a Quality Certification Program for wood flooring.

## Industrial Utilization and Marketing of Ten Potential Timber Species from Secondary and Residual Primary Forests (Peru)

Project number	PD 512/08 Rev.2 (I)	
Project country	Government of Peru	
Budget	Total	US\$691,992
	ITTO Contribution	US\$398,517
	Donors	
	Japan	US\$328,517
	U.S.A.	US\$60,000
	Korea	US\$10,000
	AIDER/UNU	US\$293,475
Submitted by	Government of Peru	
Implementing agencies	Association for Integrated Research and Development (AIDER) in cooperation with the National University of Ucayali (UNU) and the National Institute for Natural Resources (INRENA)	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

Even though secondary and residual primary forests contain potentially commercial timber trees, they are scarcely used or used without reference to sustainability criteria. Some reasons are the lack of technological studies to determine their potential uses, the lack of industrial secondary processes to generate higher value-added and to maximise their raw material yield. This will be the focus of the project.

As for development objective the project will contribute to the SFM by promoting timber resources from secondary and remaining primary forests and thus reducing the pressure on primary forests by fostering rehabilitation and enrichment of secondary forests. For achieving the above 2 specific objectives will be targeted:

- To carry out technological studies to determine the suitability of timber species frequently and abundantly found in secondary forests (SF) and residual primary forests (RPF) of the Peruvian Amazon; and
- To determine the marketing potential and niches for SF and RPF timber species, according to their technological properties.

The pre-selected species based on the criteria of abundance in SF and RPF are Auca atadijo, Bolaina, Marupa, Pashaco, Huamanzamana, Peine de mono, Sangre de grado, Hualaja, Topa, Ana caspi, Mashonaste, Caimitillo, Almendro, and Capirona. The selection of the species will be refined in consultation with the concession holders in a participatory manner.

Expected outputs include:

- New timber species technologically characterised;
- Proposal of suitable conditions for primary processing;
- Diversification of products and study of value added prototypes;
- Business plans for timber products made from new SF and RPF species; and
- Dissemination, training and technical assistance programme for forest enterprise management.

The target beneficiaries of the project are Forest concession holders and Primary and secondary timber processors.

The results will be transferred to agricultural producers, concession holders, primary and secondary processing manufacturers, students from the National University of Ucayali and the Swiss Higher Institute of Technology, and the local scientific community.

### Enhancing the Capacity of the Wood Processing Sector to Improve Efficiency and Add Value in Guyana (Guyana)

Project number	PD 513/08 Rev.1 (I)	
Project country	Government of Guyana	
Budget	Total	US\$377,953
	ITTO Contribution	US\$278,640
	Donors	
	Japan	US\$234,640
	U.S.A.	US\$44,000
	Government of Guyana	US\$99,313
Submitted by	Government of Guyana	
Implementing agencies	The Guyana Forestry Commission (GFC)	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

The processing sector's capacity to produce quality products needs urgent enhancement and there is a vital need for increased efficiency and sustainable utilization of forest resources. Enhanced capacity building in the forest sector along the industry value chain will encourage more efficient economic and sustainable utilization of the forest resource, thereby reducing wastage, damage to the environment, whilst maximizing the market potential of Guyana's wood products. In order to tackle the central problem of illegal logging, inefficiency and sub-optimal value-added in the sector a multi-dimensioned approach will be taken to address the specific issues of forest policy and capacity building (particularly in areas of machinery, equipment and skills at the community level).

The Development Objective of the project is to raise the volume and quality of forest products through more efficiently and sustainably utilizing forest resources available to generate greater employment, increased foreign exchange earnings and to boost national and community development.

The specific objective is to upgrade the capacity of wood processing industry through development of strategic guidance and human capacity building.

## Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia (Indonesia)

Project number	PD 523/08 Rev.1 (I)	
Project country	Government of Indonesia	
Budget	Total	US\$907,794
	ITTO Contribution	US\$605,094
	Donors	
	Japan	US\$535,094
	JLIA	US\$50,000
	Republic of Korea	US\$20,000
	Government of Indonesia/ISWA	US\$302,700
Submitted by	Government of Indonesia	
Implementing agencies	Indonesian Sawmill and Woodworking Association (ISWA) in collaboration with The Directorate General of Forestry Products Management (BPK)	
Financed at	Autumn 2009 (45th ITTC)	

### Summary

Indonesia is blessed with a vast rubber wood resource. Around 30,8 million m<sup>3</sup> rubber wood biomass, consisting of 13,5 million m<sup>3</sup> saw logs and 17,3 million m<sup>3</sup> small-sized wood, are potentially available for use by the forest industry every year through replacement of old rubber trees. To date, only around 22% of the saw log potential and a tiny portion of available small-sized wood that have been utilized.

This proposed project aimed at contributing to the alleviation of the timber deficit problem facing the national wood industry through promotion of the efficient utilization of rubber wood biomass. The development objective is to contribute to the lessening of wood raw material supply problem facing the national forest industry by utilizing the vast rubber wood available from sustainable sources.

The specific objective is to promote the utilization of rubber wood from sustainable sources.

Output 1 Interest in the utilization of rubber wood owned by big companies increased.

Output 2 Incentives for and capacity in the utilization of rubber wood from smallholding plantations improved.

Output 3 Government policy governing rubber wood resource utilization revised and enhanced.

Output 4 Investment in rubber wood utilization increased.

Output 5 Appropriate technologies available for the utilization of rubber wood from smallholding plantations.

The primary beneficiaries of the project are the wood industry and rubber growers. The secondary beneficiaries include the Ministries (Forestry, Agriculture, Trade, Industry), local government, universities and local NGOs.

## Tropical Forest Conservation for Reducing Emissions from Deforestation and Enhancing Carbon Stocks in Meru Betiri National Park, Indonesia

Project number	PD 519/08 Rev.1 (F)	
Project country	Government of Indonesia	
Budget	Total	US\$ 973,388
	ITTO Contribution	US\$ 814,590
	Government of Indonesia	US\$ 158,798
Submitted by	Government of Indonesia	
Implementing agencies	Forestry Research and Development Agency (FORDA)	
Financed at	Spring 2009	

### Summary

Indonesia is a country with the second largest tropical forests across the globe. The total extent of forests under protection and conservation in Indonesia is about 23 million ha, consisting of national parks, nature reserve and recreation forests. The Meru Betiri National Park is located in the southern part of East Java, Indonesia and has a total area of approximately 58,000 ha which is rich in biological diversity across several landscapes with different vegetation types, such as highland vegetation, lowland and coastal vegetation, swamp and mangrove. However, this Park has faced serious threat causing degradation and reducing the value of its various ecosystem functions. The major causes of the threat (especially forest degradation) are illegal harvest and encroachment. The illegal harvest of timber and non-timber forest product from the Park are mostly due to poor law enforcement and lack of sustainable income sources. This situation, directly or indirectly, contributes to rapid degradation and deforestation in the Park.

This project is designed to contribute to conservation of tropical forests for reducing emissions from deforestation and forest degradation and enhancing forest carbon stocks through enhanced community participation in conservation and sustainable management of the Meru Betiri National Park (MBNP) as an integral part of the larger landscape in which they live. To this end, the project specifically intends (1) to improve the livelihoods of local communities living inside and in the surrounding area of MBNP through participation in avoiding deforestation, degradation and biodiversity loss; and (2) to develop a credible measurable, reportable and verifiable system for monitoring emission reductions from deforestation and forest degradation and enhancing forest carbon stocks in MBNP. Expected outputs of the project include Participation of community in conservation forest management improved; alternatives sources of income to improve the livelihoods of local communities living inside and in the surrounding area of MBNP developed; illegal logging and forest encroachment reduced and reported; capacity in resource base inventory and carbon accounting improved in measurable, reportable and verifiable form; report on comprehensive baseline data and estimation of emissions reduction and carbon enhancement of the national park prepared; and system for monitoring emission reduction and enhancement of carbon stocks established and validated.

The project also seeks to find partners to facilitate its implementation through Public-Private Partnership in conserving tropical forests for reducing emissions from deforestation and forest degradation (REDD). The project results will be disseminated to relevant international societies and fora with a view to sharing lessons learned from this demonstration project and will be contributing to the implementation of the newly established ITTO Thematic Programme on "Reducing Deforestation and Forest Degradation and Enhancing Environmental Services".



## Demand and Supply of Tropical Wood Products in China Towards 2020

Project number	PD 480/07 Rev.2 (M)	
Project country	Government of P.R. China	
Budget	Total	US\$ 410,988
	ITTO Contribution	US\$ 263,520
	Implementing Agency	US\$ 147,468
Submitted by	Government of P.R. China	
Implementing agencies	The Institute of Forestry Policy and Information, Chinese Academy of Forestry (CAF)	
Financed at	Spring 2009	

### Summary

This project is a follow up to ITTO PD 25/96 Rev. 2 M "China's Consumption of Forest Products and Its Demand for Them from the International Tropical Forest Products Market by the Year 2010". At present China not only has become the largest importer of tropical logs in the world but also is a global timber processing center and important exporter of tropical wood products. China plays an increasingly important role in the global processing and trading chain of tropical wood products. With the rapid development of the wood processing industries and housing starts, China's demand for tropical wood products will continue to increase and this will certainly affect world timber market. Therefore it is of great significance to analyze and forecast future supply and demand of China's tropical wood products. The project will give a whole picture of China's demand and supply of tropical wood products by 2020 through in-depth investigations on productive capacity of tropical wood products processors and the end uses of imported tropical logs and consumer's preference, and analysis of regulations and policies related to wood product trade. This project is aimed at providing reliable information on China's tropical forest product markets which could be used as reference either by tropical log exporting countries in making market strategies or by domestic related authorities in making policy decisions, so as to promote close cooperation between ITTO producers and consumers and contribute to sustainable development of the global tropical wood product market.

## Sustainable Forest Production and Conservation with Community Participation in the Chepigana Forest Reserve of Darien, Panama

Project number	PD 482/07 Rev.2 (F)	
Project country	Government of Panama	
Budget	Total	US\$ 707,424
	ITTO Contribution	US\$ 470,108
	Government of Panama	US\$ 48,628
	ANCON	US\$ 188,688
Submitted by	Government of Panama	
Implementing agencies	National Association for Nature Conservation (ANCON)	
Financed at	Spring 2009	

## Summary

This project will promote the sustainable management of the forest resources in the Chepigana Forest Reserve, with the goal of achieving social, economic and environmental sustainability in an important part of the corridor that stretches from Punta Patiño Nature Reserve through to Darien National Park.

Overall, the proposal envisages determining the volume of sustainable production of tropical forest timber in the Chepigana Forest Reserve, while critical forest assets are conserved and local quality of life is improved. More specifically, it intends to seek the production and commercialization of timber and non-timber forest products from the Chepigana Forest Reserve on the basis of environmental, economic and social sustainability, while simultaneously increasing conservation of forest values in the Bagre Highland Biological Corridor, which forms an integral part of the Chepigana Forest Reserve.

Major outputs include the development of an integrated management plan and other required planning tools for the Chepigana Forest Reserve; the training of locals in forest management and administration of the Chepigana Forest Reserve and its buffer zone; and the enhancement of sustainable natural resource management and sustainable development in Barge Highlands Biological Corridor and its buffer zone.

## Participatory Rehabilitation and Management Project for Mangroves and Watersheds in the Coastal Area of the Douala/Edéa Wildlife Reserve – “Douala-Edéa Mangrove Project” (Cameroon)

Project number	PD 492/07 Rev.3 (F)	
Project country	Government of Cameroon	
Budget	Total	US\$ 830,252
	ITTO Contribution	US\$ 676,231
	Cameroon (Cam-Eco)	US\$ 154,021
Submitted by	Government of Cameroon	
Implementing agencies	Cameroon Ecology (Cam-Eco)	
Financed at	Spring 2009	

## Summary

The Project is derived from the implementation of the Pre-Project PPD 130/06 Rev.1 (F) “Identification of a Project for the Regeneration and Management of Mangrove Forests Surrounding the Douala/Edéa reserve, Department of Sanaga-Maritime, Cameroon”. Mangrove ecosystems in the Douala/Edéa Reserve are under strong extractive pressure from local communities who seek to harvest their much sought-after wood, and also because of other inappropriate uses, notably slash-and-burn farming practices, harvesting of fuelwood and production of charcoal, and overexploitation of non-timber forest products.

The project objective is to ensure the sustainability of mangrove resources in order to improve the living conditions of surrounding communities. It specifically intends to contribute to the sustainable management of mangrove ecosystems around the Douala-Edéa Wildlife Reserve (RFDE) and associated watersheds.

The project expected outputs are as follows the participatory management scheme for the mangrove ecosystem in the project area developed; and improved living standards for surrounding communities through the development of a local community economy having a low impact on mangrove ecosystems.

Through a dynamic and participatory process involving capacity-building for all stakeholders, the local communities established in and around the RFDE, together with those located in the adjoining watershed areas, will participate in the development of a management master-plan for the mangrove areas surrounding the RFDE. In parallel with this management master-plan development process, a number of pilot income-generating activities (IGAs) will be developed by these communities. These IGAs, having a lesser impact on the mangrove ecosystems will be proposed in order to better involve local forest communities and raise their interest in the conservation of mangrove ecosystems.

## Summaries of Projects Financed under the Thematic Programmes in 2009

### Building a Voluntary Carbon Marketing Scheme to Promote Sustainable Forest Management

Project number	RED-A 004/09 Rev.1 (F)	
Project country	Global	
Budget	Total:	US\$ 97,180
	ITTO Contributions:	US\$ 97,180
Submitted by	ITTO Secretariat	
Implementing agencies	ITTO Secretariat	
Financed at	REDDES Spring Cycle 2009	

The Activity will develop a feasibility study for the establishment of a mechanism in ITTO to capture funds from private sector and other potential contributors, to fund voluntary forest related carbon offsetting schemes, including REDD and PES projects. The Activity shall also generate a design and strategy for the implementation of the proposed scheme.

### Strengthening the capacity of local communities of the Chaiyaphum Province (Thailand) to manage community forests

Project number	TFL-PPD 005/09 Rev.1 (F)	
Project country	Thailand	
Budget	Total:	US\$ 78,678
	ITTO Contributions:	US\$ 56,970
	Government of Thailand:	US\$ 21,708
Submitted by	Government of Thailand	
Implementing agencies	Bureau of Community Forest Management of the Royal Forest Department, Thailand	
Financed at	TFLET Spring Cycle 2009	

The pre-project will develop a project proposal aimed at enhancing forest law enforcement and governance and strengthening communities' capacities to use their forests for poverty alleviation in the Chaiyaphum Province. To ensure an adequate project design, the pre-project will collect necessary baseline information on community forestry and define clear strategies on how to solve problems inhibiting sound community forestry development. The development objective of the pre-project is to contribute to the sustainable development of rural communities of the Chaiyaphum Province through the promotion of law enforcement, good governance and sustainable management and use of community forests. The specific objective is to develop a comprehensive project proposal aimed at strengthening the capacity of communities of Chaiyaphum Province to sustainably manage their forests.

## Monitoring deforestation, logging and land use change in the Pan Amazonian Forest - PANAMAZON II

Project number	RED-PD 029/09 Rev.1 (F)
Project country	Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname, Venezuela
Budget	Total: US\$8,052,851 ITTO Contribution: US\$ 1.124.784 ACTO: US\$ 356,854 ACTO Member Countries: US\$ 1,808,000 Fundo Amazonia: US\$ 4,763,213
Submitted by	Government of Brazil
Implementing agencies	Amazon Cooperation Treaty Organization (ACTO)
Financed at	REDDES Autumn Cycle 2009

The project will address constraints that are limiting the use of the Indicator of the Forest Cover by implementing national monitoring systems as a key element so as to increase the governance in the Amazon. In order to facilitate countries interaction and integrated action in boundary zones the project will strengthen the dialogue and coordination platforms linked to the Amazon Cooperation Treaty Organization (ACTO). The project is divided in three components

Coordination of participatory processes for the development of Forest Cover National Monitoring Systems;  
Implementation of Forest Cover National Monitoring Systems; and  
Strengthening of the existing platforms for regional dialogue and coordination on forest management, with focus on forest cover monitoring with the possibility to include other criteria and indicators for sustainable forest management.

The systems will make use of the technology platform developed by the Government of Brazil and the methodology already adopted in this country will be considered for the implementation of the National Systems. Furthermore, the project will contribute to the improvement of knowledge in the sector, to share new technologies, to prioritize lines of action for the regional cooperation and to share experiences on the enforcement of forest laws.

## Reducing emissions from deforestation and forest degradation through collaborative management with local communities

Project number	RED-PD 026/09 Rev.1 (F)
Project country	Ghana
Budget	Total: US\$ 760,408 ITTO Contribution: US\$ 658,716 Government of Ghana: US\$ 101,692
Submitted by	Government of Ghana
Implementing agencies	Forestry Research Institute of Ghana (FORIG)
Financed at	REDDES Autumn Cycle 2009

The project aims to contribute to sustainable management and conservation of Ankasa Conservation area to improve the provision of environmental services and reduce greenhouse gas (GHG) emissions. The Ankasa Conservation area incorporates the Nini-Suhien National Park and the Ankasa Resource Reserve and is considered as the most biologically diverse forest ecosystem in Ghana. The project specifically intends to develop and implement participatory, good governance and management system for the Ankasa conservation area, determine the financial value of the environmental services as well as methods for measurement, assessment reporting and verification (MARV) for forest carbon. The project will be participatory and thus will build on a high level community involvement and capacity building.

### Local REDDES programme for development and addressing climate change in Guatemala Building social processes for sustainability

Project number	RED-PPD 006/09 Rev.2 (F)
Project country	Guatemala
Budget	Total: US\$177,660 ITTO Contribution: US\$ 82,080 CALMECAC: US\$ 95,580
Submitted by	Government of Guatemala
Implementing agencies	FUNDACIÓN PARA EL DESARROLLO INTEGRAL DEL HOMBRE Y SU ENTORNO (CALMECAC) (Foundation for the Integral Development of Mankind and its Environment)
Financed at	REDDES Autumn Cycle 2009

In order to reduce deforestation and forest degradation, INAB and Calmecac are seeking to develop sustainable forest management and establish financial mechanisms derived from the management and conservation of resources and environmental services in 16 municipalities of the Departments of Huehuetenago and Quiché, while at the same time providing a climate change adaptation mechanism. Thus, this project is aimed at consolidating information and agreements with local communities on the management of natural resources, while generating quantitative and qualitative data on forest resources and environmental services potential in the area. Given the importance of the participation of local social stakeholders and the need to raise awareness on the significance of forests and climate change impacts on the implementation of a REDD project, the establishment of a local stakeholder network is also envisaged to create effective social processes geared to poverty and vulnerability reduction. This pre-project links and creates social dynamics between different sectors based on new models of participatory management of natural resources and sharing of benefits at the local level.

### Technical Support for the Development of a National Forest Inventory in the Democratic Republic of Congo to assess carbon stocks and changes in carbon stocks of forest land

Project number	RED-A 023/09 Rev.1 (F)
Project country	Democratic Republic of Congo (DRC)
Budget	Total: US\$ 510,220 ITTO Contribution: US\$ 476,820 Government of DRC: US\$ 33,400
Submitted by	Government of DRC
Implementing agencies	Directorate of Forest Inventory and Management
Financed at	REDDES Autumn Cycle 2009

The project will operate as support to the UN-REDD Programme in the DRC and complement the work of FAO in this exercise by ensuring that technical and logistical capacity exists in the DRC to carry out this activity.

The objective of this Activity is to lay the strong foundations required for supporting a carbon inventory on national forest land in the DRC by providing national institutions:

- Qualified personnel to undertake field measurements and manage the information generated;
- Office equipment (e.g., laboratory with computers and printers) and field operations equipment.

The main beneficiaries of the activity are the DRC government and more specifically the Directorate of Forest Inventory and Planning (DIAF) and the Directorate for Sustainable Development (DDD) working within the Ministry of Environment, Tourism and Nature Conservation (MECNT) and the University of Kisangani (UNIKIS).

Eventually the three institutions will have developed a productive working relationship. DIAF will have trained personnel to do field measurements and DDD will be staffed by trained personnel to manage the information generated through its Environmental Services Division and Carbon Stocks Management Bureau. UNIKIS will have developed expertise in training personnel for the measurement of ground-level carbon.

**Strengthening Guyana’s capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation**

Project number	RED-PD 005/09 Rev.2 (F)	
Project country	Guyana	
Budget	Total:	US\$ 540,880
	ITTO Contribution:	US\$ 400,680
	GFC:	US\$ 140,200
Submitted by	Government of Guyana	
Implementing agencies	The Guyana Forestry Commission (GFC)	
Financed at	REDD-ES Autumn Cycle 2009	

This project seeks to address two main areas conducting, at a demonstration level, an assessment of forest resources and environmental services including the completion of a feasibility study of targeting remuneration systems for environmental services; and secondly, by supporting sustainable forest management and resources utilization at the community level to maintain forest resources and prevent deforestation and degradation. The outcome of the project will be the strengthening of Guyana’s capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation. This will allow for planning and management of these resources to be significantly enhanced as will management of deforestation and forest degradation. Also, capacity building exercise will see improved management of forest and environmental resources by target communities and stronger compliance with sustainable forest management practices. These immediate benefits of these will be enhanced ability at the national and community level to manage forest and environmental services in Guyana.

## Promoting the partnership efforts to reduce emission from deforestation and forest degradation of tropical peatland in south Sumatra through the enhancement of conservation and restoration activities

Project number	RED-SPD 009/09 Rev.2 (F)	
Project country	Indonesia	
Budget	Total:	US\$ 181,287
	ITTO Contribution:	US\$ 149,493
	Government of Indonesia:	US\$ 31,794
Submitted by	Government of Indonesia	
Implementing agencies	Regional Research Center of South Sumatra	
Financed at	REDD-ES Autumn Cycle 2009	

The project is intended to enhance sustainable management and conservation of tropical PSF to reduce emissions and to increase carbon stocking through the involvement of stakeholders and local community in the conservation and rehabilitation of degraded PSF in South Sumatra. It is part of Reduced Emission from Deforestation and forest Degradation (REDD)-Indonesia, on the context of PSF. There are two major issues addressed in the project :

- resolving the conflict of interest between authorities in the management of PSF and
- reducing the emission from deforestation and forest degradation through the promotion of conservation and restoration of PSF ecosystem.

Five options for strategic management intervention specific to peatland, under REDO in Indonesia (Indonesia Forum on Climate Change Alliance-IFCA, Consolidation report 2008) will also be addressed, namely (1) Regulate and restore water table, (2) Prevent peatland from fire, (3) Build coordination and consistency across government jurisdiction and sectors to control cross boundary impacts of fire by controlling its sources and spread, (4) Regulate further conversion of peatlands and revise and reinforce rules for management of existing peatlands plantation sites and (5) Implement land swaps where possible to retain high carbon value forest and peats while allocating alternative land for new plantation.

The project intervention will put the priority on the third and fourth option for strategic management intervention through awareness raising, capacity building and coordination and field implementation of restoring ecosystem function in the degraded peatland through plantation. Local-indigenous species, which have been identified earlier, will be used in this restoration of ecosystem.



## Enhancing forest carbon stock to reduce emission from deforestation and degradation through sustainable forest management (SFM) initiatives in Indonesia

Project number	RED-PD 007/09 Rev.2 (F)	
Project country	Indonesia	
Budget	Total:	US\$539,616
	ITTO Contribution:	US\$ 447,071
	Government of Indonesia:	US\$ 92,545
Submitted by	Government of Indonesia	
Implementing agencies	Forestry Directorate of Planning Development for Forest Utilization, Directorate General of Forest Production and Development	
Financed at	REDDES Autumn Cycle 2009	

The project will promote SFM as an important option for forest based climate change mitigation to reduce emission from and by tropical forest. As a first priority it will focus on initiating multi-stakeholder processes for development of a national strategy to maintain and increase forest carbon stock through implementation of SFM. The expected outputs of the project are (1) Information on SFM forest based carbon, C stock, CO<sub>2</sub> sequestration, and green products; (2) Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation assessed; (3) Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and carbon storage in green products in order to reduce GHG CO<sub>2</sub> developed.

After project completion it is expected that the strategy will be institutionalized. The successful implementation of the project will generate awareness among local people and other related stakeholders to participate in managing forestland in a sustainable way. Local government, communities and private sector will get incentives from the ongoing effort in implementing conservation and forest management in reducing emission from deforestation and degradation.

## Development and demonstration on scheme of payment for environmental services (PES) derived from degraded and secondary tropical production forests in China

Project number	RED-SPD 020/09 Rev.1 (F)	
Project country	People's Republic of China	
Budget	Total:	US\$ 203,040
	ITTO Contribution:	US\$ 149,040
	Government of China:	2US\$ 54,000
Submitted by	Government of the People's Republic of China	
Implementing agencies	Institute of Forest Resource Information Technique, Chinese Academy of Forestry (CAF)	
Financed at	REDDES Autumn Cycle 2009	

The project attempts to reduce deforestation and forest degradation, enhance environmental services and help improve forest dependent livelihoods in the tropics of China. The Lingshui Li Autonomous County of the Rainan Province has been selected as project area and one typical forest-dependent community (village) will be chosen in the demonstration area. The project will develop an assessment report on environmental services derived from degraded and secondary tropical production forests in the selected area. A scheme of PES derived from degraded and secondary tropical production forests in demonstration areas based on community and other stakeholders' participation will be discussed, consulted, optimized, identified and implemented. Policy suggestions on the scheme of PES will be developed and submitted to local governments.

### Sustainable forest management and utilization of ecosystem services in forests managed by the Ese'Eja native community in Infierno, Peru

Project number	RED-PD 018/09 Rev.1 (F)	
Project country	Peru	
Budget	Total:	US\$523,319
	ITTO Contribution:	US\$ 356,519
	AIDER:	US\$ 166,800
Submitted by	Government of Peru	
Implementing agencies	Asociación para la Investigación y Desarrollo Integral (AIDER) (Association for Integrated Research and Development)	
Financed at	REDDES Autumn Cycle 2009	

The project is aimed at strengthening the management of forests over which the community has acquired utilization rights, so as to penetrate the emerging ecosystem services markets and thus generate additional income to allow the community to obtain resources for the adequate management of their territory and ecotourism concession. It will be implemented in the Ese'Eja native community of Infierno where a forest concession was granted by the Peruvian Government to the community for ecotourism purposes in areas located in the Madre de Dios region (Peru), within the buffer zone of the Tambopata National Reserve (RNTAMB) and the Bahuaje Sonene National Park (PNBS). Community capacities will be developed for the planning and establishment of agreements approved by all community members for the use of forest resources and services, thus establishing the basis for the development of a project for the reduction of emissions from deforestation and degradation (REDD). Recognizing that well-defined utilization and marketing rights are a vital prerequisite for access to these markets, the project will facilitate the formalization of rights to trade ecosystem services and to resolve existing land tenure conflicts in the concession area. These objectives will be met with support from the Peruvian government, which will allow the community to progress towards sustainable development.

## Strengthening the capacity of small-medium enterprises in Ghana to produce and trade in timber products from legal and sustainable sources

Project number	TFL-SPD 007/09 Rev.1 (M)	
Project country	Ghana	
Budget	Total:	US\$ 180,704
	ITTO Contribution:	US\$ 163,039
	Government of Ghana:	US\$ 17,665
Submitted by	Government of Ghana	
Implementing agencies	Kumasi Wood Cluster Association (KWC)	
Financed at	TFLET Autumn Cycle 2009	

The project will address the weak capacity of Small Medium Forest Enterprises in forest law enforcement and governance in Ghana. The main objective is to strengthen the capacity of SMFEs to produce and trade in legal timber through the development and implementation of internal wood control system (IWCS) consistent with legal and sustainable timber trade requirements. At the completion of the project, SMFEs will demonstrate understanding of the various standards covering Chain of Custody and wood tracking by documenting and implementing procedures to comply with and monitor compliance with legal timber trade requirements enabling an appreciable number of them to begin efforts towards CoC certification. Activities and approaches include training selected SMFEs on proper record capturing and storage practices, information management, how to use and implement IWCS; assisting SMFEs to set up their own IWCS and liaising with stakeholder institutions to audit SMFEs interested in certification. In order to ensure the sustainability of the project, SMEs will be encouraged to join the Kumasi Wood Cluster Association (KWC) or form similar network(s) or association(s) to encourage and promote trade in legal and sustainable timber.

## Strengthening the capacity of related stakeholders in Java on implementing new Indonesian Timber Legality Assurance System (TLAS)

Project number	TFL-PD 010/09 Rev.1 (M)	
Project country	Indonesia	
Budget	Total:	US\$ 555,163
	ITTO Contribution:	US\$ 474,163
	Government of Indonesia:	US\$ 81,000
Submitted by	Government of Indonesia	
Implementing agencies	Secretariat Directorate General of Forest Production	
Financed at	TFLET Autumn Cycle 2009	

The Timber Legality and Verification System (Sistim Verifikasi Legalitas Kayu - SVLK) was developed to provide legal assurance on timber products from Indonesia. In June 2009 the Indonesian Ministry of Forestry issued a ministerial decree on sustainable forest management and timber legality verification through the Minister of Forestry decree No. P.38/Menhut-II/2009 concerning Standard and Guidelines on Assessment and Performance of Sustainable Production Forest Management and Verification of Timber Legality which applies to state and private forests. Additionally, with regard to the standard, an assessment guideline is stipulated under a decree of the Director General of Production Forest Management No. P.6/VI-Set/2009. The effective implementation of the regulation requires capacity building of

relevant stakeholders and organizations, in particular for the owners of community forests. The project will focus on the dissemination of information on the new TLAS standard to communities and relevant stakeholders through workshops. It will support the establishment of institutions for independent monitoring of TLAS for timber resources from community forests and community plantation forests, conduct a series of training events to introduce and implement the standard to license holders of community forests and community plantation forest as well as local government officers and representatives of small/medium wood processing industries.

### Improving governance and transparency of timber harvests and trade in Cameroon

Project number	TFL-PD 003/09 Rev.2 (M)	
Project country	Cameroon	
Budget	Total:	US\$ 418,626
	ITTO Contribution:	US\$ 365,526
	Traffic International:	US\$ 53,100
Submitted by	Government of Cameroon	
Implementing agencies	Traffic International	
Financed at	TFLET Autumn Cycle 2009	

The project is designed to contribute to the improvement of governance and transparency of timber harvest and traded in Cameroon and internationally by strengthening the national process for controlling illegal logging and associated trade in Cameroon in order to contribute to transparency of timber trade in Cameroon with a view to address the problems of unsustainable timber harvesting, weak forest law enforcement and illegal trade of the country's timber.

### Reduction of illegal logging through better governance of community forests in the Lom et Djerem Division, East region, Cameroon

Project number	TFL-PD 014/09 Rev.1 (M)	
Project country	Cameroon	
Budget	Total:	US\$355,062
	ITTO Contribution:	US\$ 302,562
	Government of Cameroon:	US\$ 52,500
Submitted by	Government of Cameroon	
Implementing agencies	Forestry Department, Ministry of Forestry and Wildlife (MINFOF)	
Financed at	TFLET Autumn Cycle 2009	

This project seeks to reduce illegal logging and poverty in the Lom and Djerem Division through better governance and development of community forestry. The specific objectives include to sufficiently satisfy the demand of wood in the north and neighboring countries through better organization of timber markets and promotion of the creation and implementation of legal timber titles; and to reduce poverty at the community level through good governance in managing existing community forest and micro-development projects in the Lom and Djerem Division. The expected

outputs are

- 1) to assist 6 communities in obtaining and managing community forests;
- 2) to sensitize the Lom and Djerem councils on the creation of council forests;
- 3) to supply the Northern markets with sawmill residues;
- 4) to better understand and disseminate the timber market chain from Lom and Djerem to the Northern regions;
- 5) to put in place a wood tracking system from the Koundi community forest;
- 6) to reinforce the capacities of members of the Koundi community in increasing and better managing revenues from their forest; and
- 7) to sensitize all actors on legal wood trade; and
- 8) to install and have a functional Coordination Unit in place

**Implementing and promoting sustainable forest management through formulation of an action plan for improved forest law enforcement and governance in Colombia**

Project number	TFL-PPD 001/09 Rev.2 (M)		
Project country	Colombia		
Budget	Total:	US\$122,598	
	ITTO Contribution:	US\$ 91,498	
	Government of Colombia:	US\$ 31,100	
Submitted by	Government of Colombia		
Implementing agencies	Asociación de Corporaciones Autónomas Regionales y de Desarrollo Sostenible (ASOCARS) Association of Regional Autonomous Corporations and Sustainable Development		
Financed at	TFLET Autumn Cycle 2009		

The pre-project will develop a full project proposal to specify and integrate the problems related to illegal logging as well as the weaknesses of the forest legislation and the forest management capacity of the relevant institutions, so as to facilitate the future formulation of a strategic action plan for the improvement of forest law enforcement and governance in Colombia.

The pre-project is specifically aimed at analyzing and evaluating policies, programs, management capacity and the national forest legislation and their compatibility with the policies and sectoral programs and standards of the agricultural and mining sectors, through a participatory process with relevant stakeholders. The output of the pre-project will be a sound project proposal developed in cooperation with forest sector



## Sustaining Tropical Forests



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