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DRAFT REPORT
OF THE
INTERNATIONAL TROPICAL TIMBER COUNCIL
AT ITS NINETEENTH SESSION

Yokohama, Japan
8–16 November 1995

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REPORT

Item I: {Opening of the Session}

1. The Nineteenth Session was opened by the Chairman, Dr. Rubén Guevara Moncada (Honduras). Dr. Guevara welcomed to the opening ceremony Dr. Kwabena Adjei, the Ghanaian Minister for Forests and Lands, Dato' Seri Dr. Lim Keng Yaik, the Malaysian Minister for Primary Industry, and His Excellency Mr. Robin Hardy Yarrow, Ambassador to Japan of the Republic of Fiji.
2. Dr. Guevara said he was deeply concerned with the pace of signature and ratification by existing members of the new Agreement. Particularly worrying were the producer and consumer members who had taken no steps whatsoever towards ratification. He expressed the opinion that the ITTA, 1994, if implemented correctly, was a superior agreement to the ITTA, 1983. He mentioned the Year 2000 Objective, which he referred to as a watershed in the annals of forestry. He then pleaded to members not to hesitate on ratification any longer.
3. Dr. Guevara mentioned some of the issues to be dealt with at this Session. He then spoke about members who were substantially in arrears on their contributions to the administrative budget and reminded members of their financial obligations. He said that ITTO was moving into a new era in the closing years of the century and expressed the belief that support for the Organization from a broad spectrum of members was the key to its growth and success. He ended his speech by thanking the hosts of the Session, the Government of Japan and the City of Yokohama.
4. The Ghanaian Minister for Lands and Forests, His Excellency Dr. Kwabena Adjei, said he brought to the Council the greetings and best wishes of President J. J. Rawlings of Ghana and added that he had enjoyed the Eighteenth Session in Ghana so much that he decided to attend this Nineteenth Session as well. He also expressed his delight in sharing the podium with Dato' Seri Dr. Lim Keng Yaik of Malaysia, who had been his host when he had led a large forestry and timber delegation from Ghana to observe Malaysia's progress towards sustainable development of its forest resources.
5. During the visit to Malaysia, the two countries had agreed to share experiences on the management of their forest resources and to cooperate within ITTO to strengthen the objectives and functioning of the Organization. Dr. Adjei said that one of the ways that ITTO could assist developing member countries was to facilitate their participation in various consultations on the global forestry agenda, particularly the Intergovernmental Panel on Forests. He said that producer member countries of ITTO must seize every opportunity in the global debate to represent and articulate their views and to make known the positive progress they were making.
6. On the subject of the mid-term review, Dr. Adjei said that Ghana was committed to ITTO's objectives, but he said that it should not be construed as carrying the overtones of a threat of judicial sentence carrying a penalty or punishment. Ghana viewed the mid-term review as a chance to reappraise her national experience in sustainable forest management, which meant giving an accurate account of the state of its forests. He called on the Council to make the linkage between progress towards implementation of the Year 2000 Objective and the resources needed for sustainable forest management. Finally, he thanked the Council for the honour of addressing the opening ceremony.
7. The Malaysian Minister for Primary Industries, His Excellency Dato' Seri Dr. Lim Keng Yaik, said that his presence at the Council was indicative of Malaysia's full and continuing support and commitment to ITTO. He noted some of ITTO's policy achievements which were due in large measure to contributions from the Members and especially from the Executive Director and his staff. To meet future challenges, it would be necessary to reaffirm the solidarity of the Organization. He said that the new Agreement provided a more balanced, appropriate and dynamic framework and would enable the consideration of all relevant aspects of the world timber economy. Given such improvements, Malaysia had been among the earliest to ratify the new Agreement, and the Minister called on other countries to follow suit.

8. Dr. Lim mentioned the Bali Partnership Fund and acknowledged the exemplary role of Japan for having already pledged US\$11.5 million to it. He hoped that the fund would receive similar support from other consumer Members and the international donor community. He then said that Malaysia was fully convinced that policies relating to sustainable management were in her long term interests and that the mechanisms and procedures for implementation were now in place. In this light, ITTO should also give consideration to such issues as downstream processing and trade, particularly since implementation of sustainable management policies would involve direct cash outlays which might have to come from the timber industry who would have to earn more from relatively less inputs. To do this, it would be essential for there to be value added downstream processing and access to markets. It was essential for forests to have an economic value. For instance, the wood-based industry in Malaysia contributed US\$0.5 billion or 10 per cent of Malaysia's total export earnings in 1994. Thus, consumers and the donor community could not continue to deny Malaysia both market access and additional financing and yet expect it to achieve sustainable management.

9. Dr. Lim called on ITTO to do more in regard to policy consultation, discussion and consideration of such issues as the development of criteria and indicators of sustainable forest management, timber certification, tropical timber substitution and market access. ITTO should work with those responsible non-governmental organizations which had the best interests of the forests at heart, but there were other NGOs, competitors and vested interests who served no cause but their own. He called on ITTO to wrest back the initiative from such parties. He suggested that with the broadening of the new Agreement, the time might be right for all countries to promote timber products, both tropical and non-tropical, as natural and renewable products, particularly in the face of continuing substitution by such 'environmentally unfriendly' products as aluminium, PVC, steel and concrete. He made the point that many such products required relatively large amounts of energy to produce, which in turn meant higher emissions of greenhouse gases to the atmosphere. Timber was superior to such products, not only in energy usage but also in terms of renewability, non-toxicity, bio-degradability and insulating properties. To cap this, the beauty of timber was beyond doubt.

10. Dr. Lim expressed concern at unilateral actions taken by municipalities and local governments in Europe to restrict or ban the use of tropical timber. Such moves only served to reduce the value of tropical forests and increase the pressure for conversion to other land uses. He called on the European Commission and the national governments of the European Union to ensure that municipalities and local authorities lifted such trade restrictions. He noted that even the City of Yokohama, the host of the International Tropical Timber Organization, restricted the use of tropical timber, and he suggested that perhaps a new home for the Organization should be found that did not employ such restrictions.

11. He also expressed concern at the proliferation of third party certification schemes targeted primarily at tropical timber. ITTO should examine what role it could play in the validation of compliance with internationally agreed criteria and indicators.

12. On the matter of the mid-term review, Dr. Lim said that the objective was not to pass judgment or apportion blame. Rather, it should identify gaps and offer constructive recommendations. He informed Council that Malaysia was taking steps to implement forest management practices based on the ITTO's guidelines and criteria and noted that on the basis of past experience, implementing ITTO's criteria and indicators was best observed and evaluated at the national level. The Helsinki and Montreal processes emphasized the same point. There was also a clear correlation between the comprehensiveness of efforts towards sustainable forest management and the cost involved. He called on consumer member countries to assist in meeting some of these costs and to secure higher prices and complete market access for tropical timber derived from sustainably managed tropical forests.

13. Dr. Lim said that the State of Sarawak had taken steps to meet virtually all the recommendations of the ITTO Mission there. For example, production of logs from the permanent forest estate had been reduced to 9.2 million cubic metres per year, the protected areas had been increased by some 200 percent from 300,000 hectares to 1.03 million hectares, and the permanent forest estate had been expanded by 33 percent from 4.5 million hectares to 6.1 million hectares, of which 5.2 million hectares had been gazetted. Such efforts had cost the state some 26,000 jobs, more than \$100 million in lost income to workers, \$50 million in revenue per year and \$500 million of foreign exchange. Dr. Lim suggested that it was therefore extremely important that such efforts should be duly acknowledged and recognized formally by Council. He called on Council to urgently consider the proposal that ITTO evaluate the actions taken by member countries to enhance the sustainable management of tropical forests in accordance with the ITTO criteria, indicators and guidelines and, on the basis of such an evaluation, to issue a written statement in recognition and acknowledgment of such efforts. This would not only serve as a powerful

motivation to member countries but would enhance the purposefulness, relevance and credibility of the Organization.

14. Fiji's Ambassador to Japan, His Excellency Mr. Robin Hardy Yarrow, said that Fiji's forest objectives were fully compatible with recent international initiatives, including UNCED and ITTO. He expressed the hope that Fiji's forestry experience would be broadened by its membership of ITTO, and he placed his trust in the exciting opportunities offered by ITTO for technical support and information exchange.

Item 2: {Ascertainment of the Quorum}

15. The Executive Director informed the Council that the quorum had been met (Annex I of this document gives a full list of participants).

Item 3: {Adoption of the Agenda and Organization of Work}

16. The Council adopted its agenda (Annex II of this document).

Item 4: {Report on the Membership of Council}

17. The Executive Director reported that since the Eighteenth Session, the Republic of Fiji had joined the Council, bringing the complete Membership to fifty-three, composed of twenty-six producers and twenty-seven consumers.

Item 5: {Distribution of Votes}

18. The Executive Director referred Council to the annex of Document ITTC(XIX)/1, which recorded the distribution of votes for 1995, as adopted by Council at its Eighteenth Session, and recorded in Annex III of this document. He also introduced Document ITTC(XIX)/8, recording the votes allocated to Fiji and the assessment of that Member's contributions to the Administrative Budget for 1995, which Council also accepted.

Item 6: {Admission of Observers}

19. Council considered the applications for admission by the countries and organizations recorded in Document ITTC(XIX)/Info.3 and decided to admit all as observers to the Session.

Item 7: {Statement by the Executive Director}

20. The Executive Director, Dr. B.C.Y. Freezailah, reflecting upon the recent 50th anniversary celebration of the United Nations, quoted the words of the Secretary General of the United Nations who said that "we are gaining momentum ...". Dr. Freezailah, paraphrasing the Secretary General, suggested that ITTO too was 'gaining momentum' and that, as a global organization, it could transform its machinery for attaining sustainability "into a responsive instrument, essential to the realization of part of humanity's finest hopes". He then welcomed delegates to the Session and thanked the Government of Japan and the City of Yokohama for their generous support.

21. Dr. Freezailah listed the consultations and decisions that had taken place at the last Session in Ghana. Since the last Session, there had been advances on all of these issues.

22. Members had increased their efforts to ratify the ITTA, 1994 and Dr. Freezailah continued to receive assurances from all quarters of the membership, without exception, about their intentions to accede to the new Agreement. He recalled statements to this effect from a number of consumer countries during the last Session in Ghana. On the producer side, he announced that the minimum requirement for entry into force of the Agreement had been achieved, although there were a number of producing member countries yet to take the steps to fully comply with the procedures for ratification.

23. Dr. Freezailah mentioned the mid-term review and said that it should be marked by a serious effort to appraise the performance of the Organization. He acknowledged the financial assistance of the Government of Japan to help developing members prepare and submit their reports for this review and he thanked the consultants, Mr. Ronald Kemp (U.K.) and Dr. Dhira Phantumvanit (Thailand) for synthesizing the country reports. He said that the review had implications for the identification of the resources which ITTO developing members may need to meet the Year 2000 Objective. The message that he had received from ITTO's developing member countries during the exercise was that within the Organization the spirit of international cooperation and solidarity must balance the responsibilities assumed under the Agreement with the corollary obligation to provide needed resources.

24. Dr. Freezailah informed Council that he had reconstituted the Expert Panel to Recommend an Approach and Methodology for Estimating Resources and Costs Incurred to Achieve ITTO's Year 2000 Objective. This panel was assisted by a report prepared by two consultants, Mr. Alf Leslie (Australia) and Dr. Mauro Silva Reis (Brazil). Dr. Freezailah said that in his opening remarks to the Panel he had expressed his persistent concern about the tendency to sweep the issue of resources 'under the carpet' because it was seen in some quarters as too exacting and in others as inconvenient to the conduct of deliberations of international cooperation. He noted that the Panel had proposed a number of recommendations which the Council should consider urgently at this Session.

25. Dr. Freezailah then discussed the ITTO Mission to Bolivia, which had commenced after delays in empaneling the Mission and in securing the full complement of funds. In August he had accompanied the leader of the Mission, Dr. Kenneth F. King (Guyana), to discuss the modalities of launching the Mission. They had met the President of Bolivia and members of his government as well as representatives of NGOs and indigenous Indian communities. The first round of visits of the Mission had commenced on 18 October 1995 and ended on 2 November 1995 and had covered four of the six departments of the country scheduled for survey. Dr. Freezailah informed Council that a second round of visits was scheduled to begin on 6 December 1995 and he expressed his gratitude to the Government of Bolivia for its whole-hearted assistance and cooperation.

26. On the issue of certification, Dr. Freezailah said that by decision of Council he had commissioned two further studies. The first, "Study of Markets and Market Segments for Certified Timber and Timber Products", was conducted by two consultants, Mr. Peter Boateng (Ghana) and Mr. John Wadsworth (U.K.) and would be presented in joint Session during this Council Session. The second, "Study of the Developments in the Formulation and Implementation of Certification Schemes for All Internationally Traded Timber and Timber Products", would be undertaken by Dr. Baharuddin Haji Ghazali (Malaysia) and Dr. Markku Simula (Finland), who also undertook a previous study for ITTO on certification. This second study would be presented to Council at its Twentieth Session in Manila.

27. Dr. Freezailah mentioned a number of questions that certification raised for the Organization and suggested that the Council should examine critically all initiatives on timber certification and welcome any constructive debate. This exercise, though, should not be all-engrossing, as it risked diverting energy and focus from the real challenge of providing the resources to achieve sustainable management.

28. In regard to the Intergovernmental Panel on Forests, Dr. Freezailah said that ITTO had been the first agency to make a contribution to the trust fund to support the Panel's work. ITTO's finances were responsible for maintaining the salary of the Coordinator of the IPF Secretariat as well as the secondment of an ITTO appointee to the Secretariat in New York. Dr. Freezailah informed Council that he had prepared a report detailing ITTO's work within the context of the IPF and its continued involvement, and the draft report of the First Session of the IPF was annexed to that report. He drew Members' attention to the expectation that ITTO contribute to the work of the IPF through documentation and other reports which had been produced or were in the process of being produced.

29. Dr. Freezailah stated that responses of Members to ITTO's annual review of the tropical timber situation had increased this year, although many had arrived late and had resulted in the late preparation and distribution of the Secretariat's document. He appealed to members to try their utmost to respond promptly to the Secretariat's questionnaires. He also noted that coordination in the collection of statistics between international agencies would be enhanced by the cooperation of member states and he renewed his appeal for Members to assist in this. ITTO encouraged the submission of project proposals designed to assist in the establishment of statistical and information-gathering infrastructure and organized training workshops to improve the capacity of member states in the area of statistical data collection.

30. Dr. Freezailah announced that arrangements for the relocation of the Market News Service for Tropical Timbers from ITC in Geneva to the ITTO Secretariat headquarters was almost complete and a coordinator for the new Market Information System had been appointed. Dr. Freezailah acknowledged the contribution of the ITC in pioneering the service and in the transfer of the service to Yokohama. He expressed the view that the MIS would strengthen ITTO's in-house capability in the area of market intelligence but that its success would depend on support from the tropical timber trade. He appealed to donors to consider funding the MIS over the long term.

31. Dr. Freezailah expressed his admiration for the work of the Expert Panel for Appraisal of Project Proposals and suggested that the Council should support their work by not only endorsing their recommendations but by encouraging donor members to make voluntary contributions to the Special Account or through other in-kind contributions to enable their work to continue. He also appealed for funding from the donor community to fund approved projects. He praised the Government of Japan in this respect for its continued commitment to providing finances (some eighty percent of the costs of projects and programmes). The Government of Japan was the major contributor to such projects as the Tropical Forest Update, the Statistical Training Workshops, the Project Formulation Manuals Training Workshops, the Fellowship Programme and other human resources development workshops. He invited members to think about the sustainability of these programmes which should, he suggested, be institutionalized on a regular, long-term basis. He pleaded for more donor members to help finance such projects or programmes.

32. On the matter of the Administrative Budget, Dr. Freezailah announced that there had been some improvement this year in members' efforts to regularize their obligations, but he noted that certain members' performance in this regard still left a lot to be desired.

33. In closing, Dr. Freezailah stated that if he and his colleagues from the Secretariat continued to enjoy the trust and confidence of the Council, they would continue to be encouraged to serve the Council and the international community as was their bounden duty.

Item 8: {Annual Review and Assessment of the World Tropical Timber Situation}

34. Following accepted practice, this item was addressed by a Joint Committee Session chaired by Mr. Derk de Groot (The Netherlands). The Secretariat presented the document 'Elements for the 1995 Annual Review' (ITT(XIX)/3) and summarized some of the main points contained therein. He said that the response to the ITTO Statistical Enquiry was substantially higher this year compared to previous years, with 22 of the 25 producing countries and 24 of the 27 consuming countries responding in time to have their data included in the document. However, only 8 countries had managed to forward their responses to the Secretariat by the deadline of 15 August. In addition, the Secretariat said that a majority of members had been unable to present statistics which were relatively complete and without significant errors. It was hoped that members would examine the report carefully and contact the Secretariat with any changes or corrections by 31 December this year. Problems in the provision of statistics were worrying because they suggested that many members were still unable to provide convincing statistical evidence of sustainability. To demonstrate that the trade was sustainable by the year 2000, which was only 50 months away, it would be necessary to measure that trade and the production that gave rise to it. ITTO had made progress in the area of tropical forestry statistics but so far such progress was insufficient for the purposes of measuring sustainability.

35. In the discussion that followed this presentation, the Delegate for Japan, Mr. Hidehiro Hosaka, mentioned a forthcoming project to review ITTO's statistical activities for assisting producing members to strengthen their statistical capabilities. The Secretariat confirmed that the Permanent Committee on Economic Information and Market Intelligence would be considering this project to examine where ITTO could and should be going in its statistical work under the ITTA, 1994.

Item 9: {1995 Mid-Term Review of Progress towards the Achievement of the Year 2000 Objective – Decision 2(XVIII)}

36. The consultant Mr. Ron Kemp (U.K.), on behalf of himself and his fellow consultant, Dr. Dhira Phantumvanit, presented a report to Council which reviewed submissions by Members on their progress towards ITTO's Year 2000 Objective (Document XIX/6). He said that both he and Dr. Dhira felt it was a great privilege to be given the opportunity to review the progress reports and the other work of the ITTO at this important juncture in the Organization's work.

37. He referred to the mid-term review as a mid-course correction on a sea voyage. He said that the course that had been set by the Organization was a very precise and detailed one, defined firstly by the ITTO guidelines and criteria which, judging from the reports received, all countries were following. Thus, the question was not so much the course that the ship was steering but the speed at which it was travelling.

38. Using the format that Council had adopted for the review, the consultants had tried to incorporate elements from the guidelines and criteria to enable a systematic, country by country review of achievements. A working checklist had been prepared and was included as Appendix 3 of the report. The procedure adopted by the consultants was to scan all the reports, taking note of countries that drew attention to obstacles and of evidence of obstacles apparent from the reports. The recommendations in the report thus attempted to address areas where there was most commonly a need for assistance.

39. Actions taken could be divided into three main areas, said Mr. Kemp. These were: those actions entirely within the competence of the country concerned; those actions that could be undertaken by the international community within ITTO; and those actions where ITTO could cooperate as an eminent organization in the wider international field.

40. Within the framework of ITTO, the consultants found the consumer country reports to be most relevant. Even countries with a long history of forest management and substantial human and financial resources were finding the need to review their own progress towards sustainable forest management, looking beyond sustained yield to sustainable forest management in the broadest possible sense. Mr. Kemp mentioned the U.S.A. which had an interesting approach to ecosystem management. Associated with that, there were also new approaches to such fields as information systems, forest inventory, and forest valuation. Thus, there was a great deal of common ground between producer and consumer countries, with all countries having to rethink, review and to make new approaches to achieving sustainable forest management, and there were perhaps new opportunities for increased collaboration among all timber-producing countries as these new fields developed. In their recommendations, the consultants urged consumer countries to target assistance that they could extend to producer countries.

41. The consultants also looked for evidence of systematic action within consumer countries to develop a better understanding among the public and among non-government organizations of the positive relationship between the trade in tropical timber and the sustainable management of tropical forests, the relationship which was at the heart of this Organization's mandate and attempts to achieve sustainable forest management. They also looked for evidence of attempts by consumer countries to increase the opportunities for further processing of tropical timber products within producer countries.

42. The consultants examined ITTO's own policy studies and were struck by the relevance of those studies to the problems that were now being encountered. If the 'Guidelines for the Sustainable Management of Natural Tropical Forests' had been used, as originally intended, for the development of guidelines within each country, progress would have been further forward. Mr. Kemp also mentioned other ITTO policy work, including the work on criteria and indicators, demonstration forests, incentives for sustainable forest management, the economic linkages between the timber trade and sustainable forest management, and forest resource accounting, all of which he considered were important steps taken by the Organization that could be further developed. The study on certification was also an important work, and he was pleased to note that this area of activity was being actively carried forward at the insistence of Council.

43. Mr. Kemp said that the report took into account various initiatives that had come into being since the Council had adopted the Year 2000 Objective, such as the UNCED process, the creation of the U.N. Commission on Sustainable Development, and the Intergovernmental Panel on Forests. For example, one of the principal conclusions that came out of the analysis lying behind the Forest Principles and Agenda 21 was that the survival of the forests depended to a great extent on increasing the perception of their value and of the benefits that they provide. It was apparent in all the reports that progress depended on better appreciation of the value of forests and of the contributions they made to society as the basis of the allocation of resources to achieve sustainable forest management. Mr. Kemp also mentioned other international developments such as the Climate Change Convention and the Biodiversity Convention which were relevant to ITTO's work. He said that the Organization had an important opportunity to bring its full understanding of the linkages between international trade and conservation to the Intergovernmental Panel on Forests.

44. All countries, said Mr. Kemp, had given priority to policy and institutional reform and all countries could show significant progress. However, it was in the area of actual field implementation where most progress remained to be achieved. The common obstacle that had emerged from all of the reports was the overwhelming scale of the task. The Year 2000 Objective was an ambitious target made more difficult by the fact that the goal posts were still moving. The major need was to strengthen the human and financial resources available.

45. To enhance progress, the consultants recommended that the efficiency with which resources were used was paramount. Ways must be sought to achieve the most efficient combination of production and conservation, the most efficient use of currently available human resources, and the most rapid development of human resources. Mr. Kemp said that Council decision 3(X) suggested that each country should draw up its own strategy to achieve the Year 2000 Objective, and that this still needed to be looked at, country by country.

46. The consultants considered that there may also be scope for the Organization to tighten up its own strategy for achieving the Year 2000 Objective in, for example, the use of resources for projects that target a country's specific needs for achieving the Year 2000 Objective.

47. Mr. Kemp then showed an overhead slide which suggested those elements of sustainable tropical forest management which could be pursued solely by the countries concerned, and those that would benefit from ITTO and other international cooperation. In closing, Mr. Kemp expressed the hope that his presentation had showed that progress towards the Year 2000 Objective was slow but in the right direction.

48. The chairman of the Panel of Experts to Recommend an Approach and Methodology for Estimating the Resources Needed and Costs Incurred for the Achievement of the Year 2000 Objective, Dr. Jürgen Blaser (Switzerland), presented the Panel's report (ITTC XIX/5). He said that the Panel had been composed of representatives from producing and consuming countries, non-governmental organizations and trade and had been held in Yokohama from 25–29 September 1995. It had worked from several documents, particularly a working document prepared by Mr. Alf Leslie (Australia) and Dr. Mauro S. Reis (Brazil) titled 'Resources needed by producer countries to achieve sustainable management by the Year 2000'.

49. Dr. Blaser drew Council's attention to the fact that Decision 2(XVII) had not included detailed terms of reference for the deliberation of the Panel's work. The Council had reconvened an earlier panel held at the beginning of 1992, which had a clear mandate to estimate the resources needed by producer countries to achieve sustainable management by the year 2000. Due to the specific mandate given to the present Panel, which was to recommend an approach and methodology, it could not base its work on the 1992 panel's work.

50. The working method chosen by the Panel was to identify activities and elements for cost estimates for the complete set of indicators in ITTO's Criteria for the Measurement of Sustainable Tropical Forest Management (ITTO Policy Development Series No. 3). The Panel then recommended priority actions that would move members towards achieving sustainable management of their tropical production forests by the year 2000. Based on these priority actions, examples of cost estimates and cost comparisons were provided by the working document of Mr. Leslie and Dr. Reis, and these estimates were annexed to the Panel's report.

51. Dr. Blaser then showed Council several overheads outlining the Panel's work. On ITTO's definition of sustainability, the Panel concluded that sustainable forest management was to be achieved on permanent forest land exclusively. Therefore, the definition excluded forests that would be converted into non-forest use. The Panel had also concluded that multiple use was not a necessary element for sustainability. Permanent forest managed for timber production only, provided the timber yield was maintained while other functions and services were not unduly diminished, could be judged sustainable. The definition of 'undue' reduction or damage to other values was therefore crucial to the achievement of sustainability.

52. The Panel reviewed critically the ITTO Criteria for the Measurement of Sustainable Tropical Forest Management, which could be used to measure the gap between present and desired performance. The Panel had concluded that only a few of the criteria and indicators were expressed in terms that were easily measurable. Based on this conclusion, the Panel had examined the range of activities needed to achieve sustainable forest management, then had compared the magnitude of the actions yet to be undertaken and had assessed the feasibility of completing all the actions simultaneously. The Panel had concluded that not all the actions could be completed within the next five years in all member countries.

53. The Panel had analyzed Council's decision 3(XIV) of May 1993 whereby ITTO member countries recognized that progress towards sustainable forest management required activities in four key areas: security of forest resources and prevention of unplanned deforestation; implementing sustainable forest management in order to produce the optimum mix of goods and services; improving utilization of the resource to give the greatest possible social net benefit; and improving the social and political environments concerning sustainable forest management. The actions needed and resources required in each of these four key areas were summarized in tables in the Panel's report.

54. The Panel had then considered priority actions required to achieve the Year 2000 Objective by elaborating a general and simplified approach to help individual countries to estimate the resources needed, taking into consideration their own peculiarities. It had given concrete examples of activities for each indicator listed in ITTO's Policy Paper No. 3, although this list was neither exhaustive or exclusive, but would serve as an initial basis for developing more specific criteria. The Panel's report provided a thematic illustration of how the costs could be estimated but could not, in the time provided, provide cost components.

55. It was not necessary for all the indicators to be measured in order to establish sustainability. While there could be more criteria and indicators, only some of them would be decisive. Thus, for operational purposes, a much narrower focus was required. With just five years left to achieve the Year 2000 Objective, a realistic approach must be applied. That area of forest likely to remain as forest must be secured, harvesting levels must not exceed sustained yield levels and the impact of harvesting operations must be reduced. Seven priority actions were identified by the Panel. These were: adopting forest policy and enforcing legislation; establishing and securing a permanent forest estate; reducing damage done by timber harvesting; training workforce and accelerating the use of reduced impact logging; limiting harvest to sustained yield capacity; raising political and consumer awareness of the fact that timber harvesting could be consistent with the sustainability of tropical forests; and concentrating forest research on the analysis and application of existing data and knowledge and applying research results in preliminary management prescriptions.

56. The Panel had proposed a phased approach to achieving sustainable management. The priorities identified above represented the first phase: some countries would be just able to achieve these while others could go further. The second phase could start earlier in some countries but in all by the year 2000. This would be concerned with improving the generally modest levels of sustainable forest management achieved during the first phase. Estimates of the resources needed to implement phase 1 must be done by the countries themselves, although an extrapolated estimate based on estimates received from four producing member countries had been made by Mr. Leslie and Dr. Reis. In closing his presentation, Dr. Blaser listed the general recommendations of the Panel.

57. The Spokesperson for the Consumer Group, Mr. David Drake, welcomed the two reports as a good basis on which to work. He emphasized that the Consumer Group looked at the Year 2000 Objective in a very positive light, and expressed his deep respect for the progress being made by the producers. He noted that the Year 2000 Objective should be seen as an encouragement. He said that if there were any fears amongst producers that consuming countries would act in a negative fashion to any outcome of the Year 2000 Objective, he wished to allay them now.

58. The Spokesperson for the Producer Group, Mr. Amha bin Buang, said that the Year 2000 Objective was important for the Organization and it was necessary to devote time to it. The mid term review must be undertaken in a positive and constructive manner without emotion and discussions should proceed on a balanced basis. Producers must take appropriate measures and consumers must ensure market access for tropical timber products, the availability of financial resources and the transfer of appropriate technology.

59. Mr. Amha considered in detail the recommendations contained in the consultants' report. With regard to national timber certification, he suggested that any national facility should be outside the government administration. On the issue of technology transfer, he said that this was crucial for the development of local processing and could proceed perhaps as a packaging of incentives rather than as a direct donation. He congratulated the consultants for their courage in saying that though there had been an increased effort to achieve the Year 2000 Objective, the financial resources being made available by the international community were minuscule compared to what were required. He said that the \$2.2 billion per year estimate provided by the working paper was a good indication of what was involved. Agenda 21 had estimated \$30 billion per year was needed, of which \$5.67 billion would have to be provided on concessional terms. So far, ITTO had contributed over \$100 mill.

for all projects, 80 per cent of which had come from one country, and he noted that other countries could play a much bigger role in the provision of funds to the Organization. In the context of the new Agreement he said that producer countries had high hopes for the Bali Partnership Fund, and that ITTO would be judged by the extent to which this fund was used to mobilize funds.

60. Mr. Buang then commented on the recommendation that the Council focus on obtaining more transparent information on restrictive trade measures. He claimed that over 100 municipalities had restrictions on the use of tropical timbers and that these diminished the incentive to retain forests. For example, Malaysia had suffered a 40 per cent decrease in its market share in Europe. He said that he would like to see consumer reports refer to the way they were treating market access issues, and would like to see them more accommodating to processed products.

61. He associated himself with the recommendations regarding the role of ITTO and the Intergovernmental Panel on Forests. As most of the initiatives had come from the north, ITTO was in a good position to provide inputs to the IPF with respect to tropical forests and tropical timbers. He then said that the call by the consultants for a second 3rd-party review of progress towards the Year 2000 Objective should be viewed against the lack of resources and should include some consumer countries as well.

62. On the subject of independent missions, Mr. Buang said that ITTO had earned credibility from these, but the dispatch of more missions was dependent on the availability of funds. He also said that ITTO should provide inputs to the International Standards Organization, although this was new ground for the Organization.

63. The Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, said that the Producer Spokesperson had covered most of the relevant points. She said that the suggestions contained in the two reports were very useful and the conclusions were particularly relevant in the case of Brazil, which had severe weaknesses in human and financial resources. This was the reason Brazil had not submitted a mid-term report. She claimed that \$12 billion was needed in Brazil to achieve sustainable forest management. She also said that there were only 4 years to the year 2000, not 5, and that there would be no progress without money. Even with money, there would be no progress without manpower. She said that the Year 2000 Objective was very ambitious but that they should try to reach it and it would be very sad if the Organization was to lose this historic opportunity to do something. However, by the way the Organization was moving she did not see how it could be reached. With no urgency, what was the purpose of the review? She proposed that a department be established within ITTO for the implementation of sustainable forest management, including the training of manpower. She also noted that neither report gave any mention to the Bali Partnership Fund.

64. The Representative of Switzerland, Mrs. Manuela Jost Ernst, congratulated Dr. Freezailah on his reappointment as Executive Director. She noted that the ITTA was more complex than other commodity agreements in that it dealt with a commodity produced from a natural ecosystem and therefore dealt with not only social and economic issues but ecological issues as well. She said that one central conclusion that could be reached from a reading of both reports was that countries had moved closer to the Year 2000 Objective, but that obstacles still existed. The reports gave guidance to the Council on how best to achieve the Year 2000 Objective. On the consultants' report, she supported the comments by the Representative of Malaysia that the main producing countries had already elaborated national strategies towards the achievement of the Year 2000 Objective. The recommendation should thus be amended to read "countries should continue to prepare national strategies or adapt existing strategies in conformity with prior activities". On the issue of demonstration forests, she suggested that while such forests would be useful, the achievement of the Year 2000 Objective required a broader focus. She said that certification was a complex issue and required further analysis. She also wondered if progress reports should be formatted on the basis of the Criteria for the Measurement of Sustainable Tropical Forest Management.

65. On the first recommendation to consuming countries contained in the consultants' report, Mrs. Ernst thought that it might be difficult to implement since in Switzerland, for example, development agencies usually had other strategies. On the fourth recommendation, she agreed on the need for additional financial resources, but noted that these should come not only from bilateral and international aid but also from green premiums in trade and from private initiatives. Sustainable forest management did not only raise costs but also produced benefits. Regarding recommendations to ITTO, she agreed with point 1, although disagreed with point 5 which suggested a second review of progress in 1998.

66. On the expert panel report, she strongly supported the identification of priority actions towards the achievement of the Year 2000 Objective and said that point 2 was the logical consequence of this. She also supported the point that efforts from both producers and consumers were required. She agreed with recommendation 4 that the criteria needed to be revised to make them more operational, and with recommendation 6.

67. The Representative of India, Mr. Ambarish Chandra Chaubey, congratulated the Executive Director on his reappointment. He then pointed out that India was a large country of 328 million hectares, 77 million of which was under forest. He queried the call for the establishment of demonstration plots, saying that if India was to establish one in every state, it would need 26 of them. He noted that the consultants' report had specifically mentioned the role of NGOs in the development of national certification systems but said that full faith in governments should be shown. He also said that increased financial returns from the forest were essential to reduce on illegal forest activity.

68. The Representative of the U.S.A., Mr. Robert McSwain, made some general comments about the two reports presented under this agenda item. He agreed that the development of national strategies was important, being a useful way to target international cooperation on priority proposals. He said that the proposal for a second review may not be practical given the short time available. Regarding national certification, he thought that it was premature to endorse this as a priority, although further work on this subject should be one of ITTO's priorities. He said that the methodology suggested by the Expert Panel provided a good basis for estimating the resources needed and costs incurred to meet the Year 2000 Objective, and that only the producer countries themselves could provide realistic estimates. He agreed that the ITTO criteria and indicators were still valid but needed to be made operational.

69. The Representative of the E.U., Mr. Enzo Barattini, said that the E.U. shared the conclusion of the Expert Panel and expected to contribute positively to the debate. The E.U. agreed with the view expressed by the Spokesperson for the Producers that the aim of the mid-term review was not to judge but rather to carry out an objective examination of the present state of management. He reminded the Council of moves by the E.U. with regard to the Generalized System of Tariffs which would give a bonus to those who could show that they were sustainably managing their forests. The E.U. had signed a protocol on sustainable forest management and thus all matters before the Council were at the centre of the E.U.'s concerns. With regard to bans on tropical timbers imposed by municipalities within the E.U., these were purely local and didn't reflect the commitment of the countries concerned to the tropical timber trade. On the matter of financial resources, Mr. Barattini said that members of the E.U. had shown through bilateral initiatives what could be made available. He concluded his intervention by saying that the mid-term review could be regarded as a snapshot and should indicate whether a change of course was necessary or not.

70. The Representative of Sweden, Ms. Astrid Bergquist, commended the authors of the two reports. She said that the Year 2000 Objective was a bold and brave target which had inspired the development of the Forest Principles at UNCED. Being a timber producing nation, Sweden shared the interests of other timber exporting countries and she expressed the hope that the Intergovernmental Panel on Forests would provide more opportunities for cooperation. On the recommendations contained in the consultants' report, she strongly supported the need for national strategy preparation, which ought to take into account the cross-sectoral linkages between the forest sector and others that could influence the achievement of sustainable tropical forest management. On the topic of national certification schemes, she said that while this could be of significance, certification was not an end in itself and should not lead to the creation of costly bureaucratic structures. She expressed Sweden's support for the recommendation to consumers that they increase cooperation with producer countries in accordance with the needs identified in national strategies. The private sectors in both producer and consumer countries could facilitate such cooperation, particularly with respect to the development of local processing and value added through investments and technology transfer. She supported an active role for ITTO in the IPF, and increased cooperation with other international agencies.

71. The Representative of Canada, Mr. David Drake, supported the comments of Sweden and the U.S.A. in their entirety. He welcomed the two reports tabled under this agenda item as a positive basis on which to conduct the review. Canada, he said, was a large producer of temperate and boreal timber and knew how much work was required to achieve sustainable forest management and to substantiate it with sound data. He said that sustainable forest management was best promoted by incentives and that forests must be valued as forests. Canada thus supported the recommendation of the consultants that consumers pay special attention to inducing the transfer of

maximum economic benefits to local people and local industries in producer countries. Canada also supported the recommendation to producer countries with regard to the importance of demonstration forests, as well as recommendations that ITTO should strengthen its links with NGOs, industry and trade. Canada supported a harmonized international approach to certification and supported the recommendation that ITTO should strengthen its contact with ISO and others. Mr. Drake said that Canada recognized that in the case of tropical timber producing countries, additional funding was required from within the countries themselves and from external sources if sustainable management was to be achieved. He noted that donor response in support of the Year 2000 Objective would come from a wide variety of sources, most of which would be through means outside ITTO funding channels, and mentioned that Canada was one of the largest bilateral forestry donors.

72. The Representative of Finland, Ms. Aulikki Kauppila, said that the two reports tabled under this agenda item were a good basis on which to conduct the review. She said that Finland supported the recommendation of the consultants that every country should prepare or continue implementing a national strategy towards the achievement of the Year 2000 Objective, and noted that country capacity building was one of the priorities of Finnish development cooperation. She also supported the resource monitoring component of the consultants' report and said that progress reports should include information on obstacles. Targeted cooperation and increased financial resources were needed, but should not be limited to ITTO member countries and should include other organizations and the private sector. In closing, Ms. Kauppila said that a second review of progress should not be a priority, as it would require resources better used in actually achieving progress. The function of the second review could be performed by ITTO's annual reviews, although the formatting of reports might require some updating.

73. The Representative of Colombia, Srta. Paolo Ferreira Miani, congratulated the consultants and experts on the two reports tabled under this agenda item. She then referred to specific recommendations made by the consultants. On recommendations to producing countries, Colombia agreed that each country should develop a strategy for the sustainable management of forests. Regarding demonstration forests, she said that establishing such forests to cover all the diversity of ecosystems in a country like Colombia was a mid-term and long-term objective. Regarding national inventories, these should facilitate preparation of reports for ITTO. Timber certification was an activity that should perhaps be carried out nationally but, in the case of Colombia where sustainable forest management was an objective of the national forestry policy, she did not think that it could be developed independent of the public administration. Colombia, however, would welcome initiatives from the private sector or NGOs. Regarding the recommendations to consuming countries, the promotion of local processing was laudable but it would be useful to specify the mechanisms for the transfer of full economic benefits from forest management to local populations. The recommendation on improved public understanding was perhaps the most important and relevant. She agreed with the recommendation to ITTO of close cooperation with the IPF, and added that ITTO should play a decisive role in the development of criteria and conservation methodology. She agreed that the resources of the Special Account should be directed to projects that helped to achieve the Year 2000 Objective but that other ITTO objectives should also be taken into account. She said that a second review of progress was probably not necessary and would be expensive. Finally, she commented on the report of the expert panel, agreeing on the need to prioritize the objectives for each producing country.

74. The Representative of China, Mr. Li Lukang, said that China agreed in principle with the two reports tabled under this agenda item. He said that the recommendation to producing countries that they should prepare and document its national strategy towards the achievement of the Year 2000 Objective could also be extended to consumer countries, particularly China and other developing countries. He informed delegates that China had already prepared its own national strategy and action plan.

75. The Coordinator of the Global Forest Policy Project, Mr. Bill Mankin, congratulated the Organization for beginning the mid-term review, which had to take place for the good of the Organization, its members, supporters and detractors. ITTO had to be able to prove to the world that it was making progress. He commended members who submitted reports to the consultants and to the consultants for a pretty good first shot. He suggested that members should focus on specific obstacles in each country that needed to be overcome rather than on how long it would take or how expensive it would be. Partnerships would be formed more readily around specific goals rather than generalities. He suggested that a first step would be for the Organization to cease funding projects that did not support the Year 2000 Objective, as suggested by Switzerland. He said projects could focus on such failings as identified in the consultants' report, including the involvement of key stakeholders in local communities, capacity building and policy reform and implementation.

76. On the report of the Expert Panel, Mr. Mankin cautioned the Organization that the idea of making funds available to overcome consumer bias towards tropical timbers would be widely perceived as little more than a public relations campaign. Indeed, many NGOs already thought that the Year 2000 Objective was just that. The Organization risked a great deal in investing money in claiming that sustainable forest management had been achieved rather than in actually achieving it. He alluded to a suggestion in one of the reports that not all indicators of sustainable forest management needed to be measured. He said that this involved a high risk because it might be that some values that were considered essential to some for evaluation of progress towards sustainable forest management would end up not being measured. This included the concept of avoiding irreversible impact, particularly with regard to biodiversity. Mr. Mankin also regretted the absence in the Expert Panel report of the benefits or cost savings of attaining sustainable forest management. For example, some reduced impact logging methods could save money. He noted that while the consultants' report mentioned that the U.S.A. was developing a domestic set of criteria and indicators for assessing sustainable forest management, this was not yet underway. Finally, Mr. Mankin suggested that at every future Council Session between now and the year 2000 there ought to be a time allotted for a serious discussion of the progress that was being achieved, with a clear enumeration of the obstacles still remaining, what was needed to overcome them and what new partnerships had been created to help achieve the objective.

77. The Representative of the U.K. timber trade, Mr. Geoffrey Pleydell, said that it was ironic that the consultants' report had to recommend that ITTO should strengthen its links with the private sector, since ITTO had been born out of a desire to improve international timber opportunities for tropical forested nations. Yet without the trade there would be fewer jobs, no revenue and precious little reason for looking after forests. He said that the trade was suspicious that the most honorable intentions of CITES were being misused to stop trade in tropical timber species. He said that the timber trade in Britain had fought very hard to defend the interests of the tropical wood producing countries, and part of the defence had been the Year 2000 Objective. Thus, it was becoming increasingly urgent that progress towards this objective was demonstrated. Mr. Pleydell said that in terms of providing extra funds for sustainable forest management, the ability of the trade was limited and that even a 'green premium' would be limited by what consumers were prepared to pay. He said that the U.K. timber trade had considerable reservations concerning certification systems currently being advocated and alternative solutions should be sought. He ended by saying that evidence of real progress towards the Year 2000 Objective was essential to the trade's fight to protect its interests, which were also essentially the interests of the ITTO member countries.

78. The Representative of the Netherlands, Mr. Marco Braeken, said that in general his delegation supported the recommendations contained in the two reports tabled under this agenda item, particularly the need to establish national strategies and demonstration forests and the need for national progress reports to include specific status reports on progress achieved and obstacles encountered. His delegation also asked countries to give serious consideration to the issue of timber certification. He said the Netherlands understood clearly that progress towards the Year 2000 Objective was not one-sided and there was a need for bilateral and multi-lateral cooperation. Referring to the call for improved public understanding, Mr. Braeken recognized the need for this, but he said that this was a difficult message at this point in time, since few, if any, countries had been able to implement sustainable forest management. He said that more thought needed to be given to a second review of progress, including third party field visits. He suggested adding a recommendation on the need for ITTO to continue as a forum for the further study and debate of certification. Another recommendation could refer to a possible review of format for progress reporting.

79. On the report of the Expert Panel, Mr. Braeken said that his delegation generally agreed with the recommendations and priority actions. He was glad that a methodology had been drawn up and hoped to see the reaction of producer countries to this. It was his delegation's hope that by the end of the mid-term review a decision could be reached identifying three sets of issues: those that could be agreed upon by Council at this Session, those that needed further discussion and decision-making in Manila and, a subset of these, those issues that would need separate decision-making, such as strengthening contacts with ISO, the private sector, NGOs, etc.

80. The Representative of Indonesia, Mr. Titus Sarjanto, said that the Government of Indonesia had been pursuing a national forest inventory and an update of the national forestry action plan in collaboration with FAO. Further, Indonesia and the U.K. Overseas Development Agency had established demonstration forests in Sumatra and Kalimantan. He supported the development of forest resource accounting at the national and forest levels. He mentioned that the Ministry of Forestry had cooperated with an NGO in establishing the Ecolabelling Institute, and he supported the recommendation that the objectives of certification were to improve forest management and ensure market access. The Ministry stressed the strict control of illegal logging and was expending more funds for

the rehabilitation of the forest by planting industrial forest plantations of up to 250,000 hectares annually. He noted that the annual allowable cut in Indonesia had been reduced from 26 million to 18 million m³ per year. He also mentioned the need for additional financial resources and that developed countries in ITTO should increase financial assistance towards the level needed.

81. The Delegate for Japan, Mr. Kenichi Sukanuma, said that his delegation was generally supportive of the consultants' recommendations, although the development of national certification would be premature. Further action in this regard should be based on research and discussion. Regarding the recommendation to consumers for additional financial resources, he awaited the submission of estimates from producing countries. On the recommendation to ITTO regarding the Special Account, he said that the Year 2000 Objective was important but a proper balance should be maintained between that and the mandate for the enlargement of the tropical timber trade. He supported the prioritization of the Expert Panel and the recommendation that estimates of financial resources should be provided country by country. He said that the Year 2000 Objective was an ongoing one, and the Council should adopt a pragmatic and realistic approach.

82. The Representative of the U.K., Mr. Ian Symons, congratulated the consultants for their report and he hoped to get down to a detailed discussion of priorities. The Expert Panel report was useful, he said, but incomplete. It stressed short term priorities, which were reasonable, but he was disappointed by the lack of attention to the potential for fiscal policy reform as a means of stimulating greater processing of logs, etc. The report paid little attention to the need to engage local populations, to non-timber benefits, or to practical methods for the integration of such information into forest management planning. He said that the whole process was weakened by looking only at financial costs without a parallel examination of benefits. The estimate of costs in Annex IV of the document was so sketchy as to be meaningless and he looked forward to receiving cost estimates from Member countries.

83. The Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, congratulated Mr. Bill Mankin for his intervention and said that to a certain extent her delegation shared the view of NGOs that the Year 2000 Objective had become nothing more than a public relations campaign. She echoed Mr. Mankin's concern about the mid-term review. He had also mentioned partnerships, which Brazil considered essential. Now was the time to make real partnerships. She complimented the Japanese Delegation for changing its stance on certification from tropical timber only to include all timbers, but stressed that certification was a final step after the achievement of sustainable forest management. She said that Brazil would like to learn from those countries that said they were ready for certification but, for its part, Brazil was still far from ready. She commented that without partnerships, Brazil would leave the Session empty-handed.

84. The Representative of Myanmar, Dr. Kyaw Tint, congratulated the authors of the two reports. He agreed with the priority actions and recommendations put forward by the Expert Panel and suggested a few more. These included the need for the formulation of land use policies and land use plans, the need to meet the needs of local populations, the need to find substitutes for some forest products such as firewood, the need to promote people's participation and community forestry practices and the need for institutional strengthening and capacity building. On the consultants' report, he suggested that the consultants should review more thoroughly Myanmar's forest management practices, as he considered that Myanmar could also qualify as one country with the realistic prospect of being about to bring their entire production forests within the permanent forest estate under sustainable forest management by the year 2000. He said that Myanmar had a PFE of 15 per cent of the total land area which would be increased to 30 per cent soon, and a totally protected area to be increased to 10 per cent shortly. Myanmar had all the necessary legal framework in place, national, regional and management level forest inventories were conducted regularly, a network of 2450 permanent sample plots had been established, there were management plans for all the forest districts of the country and the annual timber harvest had always been less than annual growth. Elephants were employed in timber extraction which was an environmentally friendly technique and there had been community participation in the establishment and management of forest plantations. Thus, said Dr. Kyaw, the key ingredients for sustainable forest management were in place in Myanmar.

85. The Delegate for Panamá, Lic. Mirei E. Endara, supported the comments made by Colombia, the U.S.A. and Switzerland, and felt that a revision in 1998 might be necessary. The comments by the U.K. drawing attention to the role of ITTO and the trade and industry were relevant. Similarly, she supported the comments made by the Netherlands stressing the need for more discussion on the methodology of the mid-term review.

86. The Representative of Peru, Ing. Antonio Morizaki Taura, commended the consultants for their report, tabled under this agenda item. He agreed that each producing country should prepare national strategies. As regard demonstration forests, these were being established in Peru and examined different systems of sustainable forest management with the participation of local communities, and which included provision of training by government

and NGOs. Forest resource accounting was necessary because there was a need to quantify and account for these resources. Regarding national certification schemes, he said that this was a policy matter for government. National reports should have an orientation towards specific landmarks so as to provide pointers to the achievement of the Year 2000 Objective.

87. The Secretary General of the African Timber Organization, Mr. Mohammed Lawal Garba, said that the two reports were a reminder to consumer countries of the need to assist producer countries with appropriate resources, and to producer countries to increase their efforts towards the Year 2000 Objective. He observed that the ATO and ITTO were two of a kind, both mandated to deal with sustainable development and the trade of timber. He then commented on CITES and the proposal to include some major economic timber species including African mahogany in its appendices. This proposal had been withdrawn on the basis that it had no scientific support. He said that any future proposal should be based on reliable and up-to-date information in consultation with range states. Import restrictions would be counterproductive and would kill the African timber trade, which would lead to unemployment and more deforestation. He called on ITTO to serve as an authoritative body to provide information from producer countries to CITES or other organizations. He concluded his intervention with a brief mention of the ATO certification scheme. He said that ATO was cooperating with CIFOR to produce operational criteria for the scheme.

88. Under this agenda item, Malaysia, the U.K., India, Canada, Panamá, the People's Republic of China, Gabón, Bolivia, Australia, Ecuador, the Netherlands, Finland, Perú, Germany, U.S.A, Japan, Indonesia and Sweden made presentations of their reports on progress made towards the Year 2000 Objective. These reports are available as separate documents from the ITTO Secretariat. The presentations generated considerable discussion, which is summarized below.

89. After presentation of Malaysia's progress report, the Representative of Finland, Ms. Aulikki Kauppila, asked if the National Committee on Sustainable Forest Management, mentioned during the presentation, would elaborate the ITTO criteria to the national level in Malaysia, or directly to operation activities.

90. The Representative of Malaysia, Mr. Amha bin Buang, replied that the committee had identified 88 activities required to achieve sustainable forest management by the year 2000. Of those, 64 were identified as priority actions and 20 were considered 'minimum requirement' activities. The extent to which these could be applied, he said, would depend on the availability of resources and State government priorities. The focus of the committee was at the national level at the present time.

91. Following the presentation of the U.K.'s progress report, the Representative of Malaysia, Mr. Amha bin Buang, asked if that country had any intention of channelling funds through ITTO. He also noted that the U.K. had proclaimed its opposition to barriers to trade and he asked for the U.K.'s comments on the Club '95 Plus initiative and on the Forest Stewardship Council.

92. The Representative of the U.K., Mr. Ian Symons, said that no decision had been reached regarding an increase in funding through the Bali Partnership Fund, but that it would be based on the relative efficiency, effectiveness and good management of this Fund compared to other transfer mechanisms. He added that any decisions made would be kept in review. On Club '95 and the Forest Stewardship Council, he said that these were private sector and voluntary initiatives, and the U.K. Government had no particular opinion regarding them.

93. After the presentation of India's report, the Representative of Sweden, Ms. Astrid Bergquist, noted that Sweden and India had enjoyed many years of cooperation in the forestry field. She asked if forest companies were permitted to own forests for the purpose of reforesting deforested land.

94. The Representative of India, Mr. Ambarish Chandra Chaubey, acknowledged the development assistance provided by the Swedish International Development Agency, and said that there were no restrictions on forest-based industries taking up plantations in wasteland.

95. Following the presentation of Canada's progress report, the Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, asked if Canada had facilities for training and for the exchange of experiences between countries.

96. The Representative of Canada, Mr. David Drake, replied that Canada had a great deal of experience which was relevant internationally. He noted that the types of forest in Canada were different to those in the tropics, and care was needed to ensure that on-site training was relevant to international students. Nevertheless, he said, there were many Canadian foresters who had trained in the tropics, and human resource development was a major international development priority for Canada.

97. The Representative of India, Mr. Ambarish Chandra Chaubey, asked if Canada would provide international development funding through ITTO.

98. Mr. Drake replied that in the case of India, Canada had set up a self-financing process for forestry projects through the line of credit on fertilizer which provided for a constant form of local cost payment for, particularly, social forestry projects. Regarding ITTO, the answer was no: Canadian development assistance maintained a policy against providing money through trust funds, preferring bilateral means of providing assistance.

99. The Representative of Colombia, Srta. Paola Ferreira Miani, said that although the transfer of technology and training for forest management could be somewhat complicated, she believed that in formulating policies such as those regarding land tenure and concessions, Canada could play an important role within ITTO.

100. Mr. Drake replied that several delegations had made reference to land tenure. This was a key issue in Canada, and initiatives were underway to experiment with participatory approaches. Canada was open to share experiences that it had gained and was still gaining.

101. The Representative of Panamá, Lic. Mirei E. Endara, informed Council that Canada had been a key supporter of the alliance for sustainable development in Central America, contributing \$25 million for the strengthening of national councils for sustainable development. These were social participation councils which made decisions on the use of natural resources and included NGOs, the communities, associations and government.

102. The Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, queried the consistency of Canada's bilateral aid policy with the new ITTA, 1994, which called for partnership. She also asked if Canada was prepared to pay for certification in other countries.

103. Mr. Drake said that he was hoping the Canadian government would make an exception for the ITTA, 1994 and also noted that there were opportunities for 'complementarity'. He cited a project that was up for approval by the ITTC in Honduras on lesser used species, an important project which was based on close complementarity with a \$9 million Canadian project that had just ended and a \$6 million project that was just starting. He said that Canada believed that certification should be voluntary, non-governmental and non-legislative. It was already a reality, and countries should be well informed about it.

104. Mrs. Murakami said that the ITTA, 1994 included a provision for information sharing. Would Canada share its information with ITTO or would it be the same provided to FAO?

105. Mr. Drake replied that Canadian Government information was public and thus there was no problem with information-sharing. Regarding the FAO/ITTO nexus, he said that there was some duplication in information requirements between the two organizations, and that the question was how the information could be presented in the most efficient manner.

106. Following the presentation by Panamá, the Representative of Perú, Ing. Antonio Morizaki Taura, noted the adoption by Panamá of an environmental law which could provide a model for other countries. The development scheme which involved NGOs and the local communities provided a better chance of sustainable management of the forests, and he congratulated Panamá on the activities it had carried out so far.

107. The Coordinator of the Global Forest Policy Project, Mr. Bill Mankin, asked how the Central American Forest Convention (CAFC) fitted in with Panamá's strategy to achieve the Year 2000 Objective. He also asked if there was a regional strategy among the signatories to the Convention to collectively work towards the Year 2000 Objective.

108. Lic. Endara replied that CAFC followed the same approach as that employed for the Year 2000 Objective. Most activities being carried out in Panamá had been catalyzed by the CAFC process and the two processes were complementary. She noted that of the Central American countries, only Panamá and Honduras were members of ITTO. Thus, the principles and criteria of ITTO were not necessarily followed under the convention but the goals were the same.

109. The Representative of Canada, Mr. David Drake, referred to the process regarding councils of sustainable development in Central America in which Canada was involved. He said that the move towards sustainable development in Central America was very impressive, and there was considerable regional cooperation. He asked how Central American countries were working as a regional group towards sustainable forest management.

110. Lic. Endara replied that Central America covered a wide range of ecosystems and ethnic groups and tended to attract assistance on a regional basis.

111. Following the presentation by the People's Republic of China, the Representative of Malaysia, Mr. Amha bin Buang, asked if China had any specific strategy to develop sustainable management of its tropical and subtropical forests.

112. The Representative of China, Mr. Li Lukang, replied that China had two regions of tropical forest, one in Hainan Island and one in Yunan Province. Due to past overcutting, the Government had introduced a policy to stop logging in the tropical forests of Hainan Island. In Yunan Province, some logging was still practiced under stringent management, and the volume of cut was decreasing. China's area of subtropical forests was quite large and was associated with good soil and precipitation. The Government maintained a policy of increasing plantation area and was establishing fast-growing plantations in cooperation with the World Bank. There were forest protection programmes in the subtropical forests. Overall, the Government had a long term strategy to increase the forest resources of the country.

113. Following the presentation by Bolivia, the Representative of Germany, Mr. Gerhard Schmok, commented that there was a strong demand for balsa wood in Germany, and he asked if Bolivia intended to increase its plantation area of this species.

114. The Representative of Bolivia, Ing. Javier López Soria, replied that there was no shortage of balsa in Bolivia, but current production amounted to only 1% of what was available. This was at least partly due to the fact that the price was very low and 80–90% of the international balsa market was controlled by the Government of Ecuador.

115. The Representative of Denmark, H.E. Mr. Erik Fiil, said that the Bolivian presentation had rightly stressed two very important elements, one being that Bolivia was a mining country and thus that the forest industry did not have a long history. The other element was the consideration of the indigenous people. He said that his country would follow the development of Bolivia's forest sector with interest given these two factors and the great cost of transportation in the country which limited export opportunities.

116. Ing. López responded by saying that there were vast differences in altitude in Bolivia. Mining, for instance, took place at very high altitudes between 2700 and 4000 metres above sea level, and cities had developed in high places because of this. In 1985, Bolivia had opened its first road from west to east starting in La Paz, designed to facilitate the development of agriculture and forestry. He also noted that an agrarian reform law of 1953 had granted land to almost all the population, enough to cover basic needs. The country's population was growing and this created new issues in land tenure, although the population was still relatively small (approx. 7 million inhabitants for 1 million square kilometres of land). Since 1991, the government had been granting additional lands to each of the ethnic groups, including in the Chimán territories.

117. The Coordinator of the Global Forest Policy Project, Mr. Bill Mankin, commended the Government of Bolivia for its commitment to seek certification for 3 million hectares of forest by the year 2000. He asked what criteria would be used as the basis for such certification, and what entity would carry it out.

118. Ing. López replied that the certification objective was being pursued under the BOFOR project financed by the Government of the U.S.A. Certification, technically speaking at least, was being done through local groups in various production areas and was voluntary at present. The certification work done by the Forest Stewardship Council was being taken into account.

119. Following the presentation by Ecuador, the Delegate for the Netherlands, Mr. Erik Lammerts van Bueren, commented on the difficulties of conserving Ecuador's biological richness. It would be difficult, he said, to create a network of reserves which covered the range of biodiversity. He asked if there were any attempts to establish a network of reserves to preserve close to 100% of the biodiversity and, if not, would there be an operational plan to identify and implement protection?

120. Ing. Barba replied that a master plan for biodiversity protection had been prepared over a period of three years, but it was not enough to have a plan, financial resources were needed. The World Bank through the Global Environment Facility had provided \$7.5 million and, with this, the master plan had commenced implementation a year ago, with 35 projects. So far, it was working extremely well. He said that Ecuador had tried to find other, innovative ways of protecting biodiversity, and was working with, for example, petroleum companies to obtain information on the biodiversity of the forest they cleared for seismic testing.

121. The Representative of Indonesia, Mr. Titus Sarjanto, asked for an explanation of training and education being conducted in Ecuador for the management of forests and biodiversity.

122. Ing. Barba replied that human resources were a major limiting factor in Ecuador. There were technical institutions and private universities that were providing training, but more remained to be done.

123. Following the presentation by the Netherlands, the Representative of Malaysia, Mr. Amha bin Buang, asked how the Netherlands policy on tropical forestry for 1994–2020 reconciled with the Year 2000 Objective. He also inquired about the status of the Netherlands framework agreement on tropical timber (NFATT), and whether the memorandum on the certification of sustainably produced timber covered tropical timber only. Finally, Mr. Amha asked what the Netherlands was doing regarding restrictions on the use of tropical timber by its municipalities.

124. The Representative of The Netherlands, Mr. Marco Braeken, replied that all forests were addressed in the memorandum on certification which was agreed under NFATT, but that political attention was focused on tropical forests. He said that certificates would state the country of origin of the timber and that it had a sustainable origin. In regard to municipal bans, the Government of The Netherlands was providing information to representatives of local governments on the trade in tropical timber, but the central government had no legal means to prevent municipalities from imposing restrictions if they so wished.

125. The Delegate for The Netherlands, Mr. Derk de Groot, commented that the National Forest Plan was mainly concerned with Dutch forests, but the chapter on international forestry was congruent with the Year 2000 Objective and other international initiatives.

126. The Representative of Malaysia, Mr. Amha, said that he was puzzled that the memorandum on certification was being formulated under the aegis of NFATT. Wasn't this tantamount to a *fait accompli*? He expressed his frustration and stressed that the timber trade should be non-discriminatory and should be seen to be so. Regarding the argument that the central government had no legal means to prevent municipalities from imposing trade restrictions, it could also be applied to forests in Malaysia where forest management was under the jurisdiction of State governments. However, the Federal Government ensured that State and local governments paid heed to what it said.

127. Mr. Braeken said that the intra-governmental working group on tropical rainforests had broadened its scope to include all forests. Regarding the NFATT, discussions on its future were uncertain. If there was to be a successor to the NFATT, then the issue of scope would probably be addressed. He also commented that Malaysia and The Netherlands faced similar problems in dealing with local governments.

128. Following the presentation by Germany, the Representative of Malaysia, Mr. Amha bin Buang, commented that 13 of the 16 municipalities in Germany maintained policies to restrict the use of tropical timber. He acknowledged the efforts taken by the Government of Germany to overcome restrictions on tropical timber and he asked if they had had any effect.

129. The Representative of Germany, Mr. Gerhard Schmok, said that tropical timber restrictions by local municipalities were of concern to his government, but due to divided competence no figures were available as to their impacts. The Government of Germany had been undertaking an initiative over the past three years to introduce voluntary certification for tropical timber originating from sustainable sources. The results of CIFOR trials on the field use of criteria for certification should be available next year.

130. The Representative of Canada, Mr. David Drake, said that German consumer concern extended to all wood, noting that Canada's exports were also under scrutiny by consumers in Germany.

131. Mr. Schmok commented that a recent study in Germany had shown that 5% of consumers were willing to pay premiums up to 10% for sustainably produced timber. However, a comprehensive market study had not yet been carried out to provide more definitive information on this matter.

132. Following the presentation by the U.S.A., the Delegate for Panamá, Dr. Stanley Heckadon, expressed his country's interest in the presentation and report, particularly in the support and participation provided by the U.S.A. for forest management and the conservation of biodiversity in the neotropics.

133. Following the presentation by Japan, the Coordinator of the Global Forest Policy Project, Mr. Bill Mankin, said that several consumer, donor nations had reported on their contributions to broad and general categories of international cooperation in forestry, not all of which was necessarily connected directly to the achievement of sustainable forest management. He suggested that such countries should be more specific about what their contributions were directed towards, particularly as they related to the Year 2000 Objective.

134. Following the presentation by Indonesia, the Representative of Germany, Mr. Gerhard Schmok, asked how involved the Indonesian Government was in the ecolabelling initiative in that country.

135. The Representative of Indonesia, Mr. Titus Sarijanto, replied that the Ecolabelling Institute was under the leadership of the former Minister of Environment, Professor Emil Salim, and its role was to train assessors to assess the sustainability of forest management. The Government's role was to facilitate this independent initiative.

Item 10: {a) CITES Listing Proposals by Members – Decision 3(XVI)}

136. The Secretariat reported that it had not received any information from members on the listing of other species in the Appendices of CITES, pointing out that Costa Rica was not a member of ITTO (see agenda item 10(b) below).

Item 10: {b) ITTO Participation in the CITES Timber Working Group – Decision 5(XVIII)}

137. At the request of the Council, Mr. Ger van Vliet from the Secretariat of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) made a presentation on the CITES Timber Working Group (TWG) under this agenda item. He said that at the last Conference of the Parties in November 1994 in Fort Lauderdale, the Parties had decided to charge the CITES Standing Committee with the creation of a timber working group to look into some aspects of CITES implementation for timber species from the tropical, temperate and boreal regions. The Standing Committee decided the terms of reference for the TWG which referred to procedural matters only, and its composition. Under the terms of reference, the TWG would look at the current procedures for CITES controls and at some of the aspects of CITES implementation related to timber species currently included in the appendices. The TWG would not look into issues of future proposals to include timbers in the CITES appendices.

138. The CITES Secretariat, in collaboration with other organizations, had prepared several documents that would be discussed at the meeting. These related to subjects on administration and enforcement procedures for implementation of CITES for species currently listed; which products of those currently included species should be controlled by the CITES mechanisms; cooperation between international organizations; the implementation of the Convention for species included in Appendix 3 (including recommendations with regard to future requests for inclusion of species into Appendix 3); and a background document containing an overview of the past trade in CITES timber species. Reasons for past or future listings would not be discussed, although the chairman had included an agenda item related to future workings of the TWG, which could agree on a list of issues it wished to discuss, which would then be presented to the Standing Committee at its next meeting in January 1996.

139. The small membership of the TWG, said Mr. van Vliet, was not to exclude members but to make the working group workable. The role of the TWG was not to make decisions but to make recommendations which would be circulated after the meeting to all CITES parties and the Standing Committee for comment. Such comments would be considered at the second meeting of the TWG which would then make a final document for consideration at the next Conference of the Parties in early 1997. Two rapporteurs would take note of all that was said at the TWG and a secretary would work overnight to produce the documents that the TWG intended to send out. The TWG would set out to develop a common position on the issues, but if this was not possible, opposing views would be contained in the report.

140. The Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, said that her country had received a communication from CITES that mentioned some uncertainty regarding a recent proposal by Costa Rica for inclusion of *Swietenia macrophylla* in Appendix III. She asked what these uncertainties were and when the original proposal had been received by the CITES Secretariat.

141. The Representative of Honduras, Ing. Angel Murillo Reina, also raised the question of CITES listing with regard to Honduran mahogany, which, he said, had been placed on the CITES appendix by a country in which the species did not occur. He also appealed for more funds to help train a workforce to enable the achievement of the Year 2000 Objective.

142. Mr. van Vliet replied that the letter received from Costa Rica simply requested the inclusion of *Swietenia macrophylla* in Appendix III. The Secretariat felt that consultation with Costa Rica on this request was necessary to avoid the possibility that every mahogany product from every part of the world would be subject to CITES control. Thus, the Secretariat had asked Costa Rica for the exact circumscription they felt should be applied. The response from Costa Rica took a while because their office moved in the meantime, creating a problem with communication.

143. Mrs. Murakami said that Brazil had requested clarification from the Costa Rican embassy in Brasilia but they had replied that they did not know about the proposal. She asked if the CITES Secretariat had suggested to Costa Rica the course of action they should take.

144. Mr. van Vliet said that this felt like an inquisition, and he asked the Representative of Brazil to come to the point immediately. He said the CITES Secretariat had not 'helped', but had asked for clarification and had clearly indicated what the possibilities were. Perhaps they took so long to clarify because they were considering the options.

145. Mrs. Murakami said that in that case the CITES Secretariat had helped Costa Rica to decide by suggesting the possibilities. Since there was no sense of urgency, the final proposal should be considered to be a new proposal and should be considered under the new procedures that were adopted at Fort Lauderdale. She said it was strange that a country proposed something that it could not clarify, even bilaterally. Brazil had requested clarification from CITES and had received a reply saying that the proposal needed to be clarified, but CITES had not sent such a clarification. She said that the TWG was an opportunity to talk about transparency and procedural matters. She expressed surprise that Costa Rica had no mahogany to export but had made such a proposal. She wanted to know if Costa Rica had taken any steps to recover its mahogany forests.

146. Mr. van Vliet said that when the CITES Secretariat had first received the request from Costa Rica it had referred to any piece of mahogany anywhere in the world, which would have created serious problems. Therefore the Secretariat had sought clarification from Costa Rica if that was their intention, or whether they had something more limited in mind. If the Representative of Brazil had read the letter which the CITES Secretariat had sent to Brazil, she would know that the Secretariat had indicated alternatives for an Appendix III listing to Costa Rica. It was up to Costa Rica, as a sovereign country, to make a decision.

147. Mrs. Murakami said that Brazil was concerned with attempts to list timber species in CITES as this was a solution to problems that needed to be addressed in a different way. CITES should not just be used to put species in an appendix, it should help to do something for the species. She said that since Costa Rica didn't export mahogany, the measure would not cost them anything. For other countries, the listing was a bureaucratic burden that would use money that could otherwise be employed for other things, such as training. She asked what use CITES listing was in the conservation of species.

148. Mr. van Vliet said that he understood the request for transparency and he referred to the letter sent to Brazil. It was the sovereign right of a country to make a proposal. The Timber Working Group would discuss Appendix III listing which would hopefully avoid issues such as this. However, he said that if there were problems with the Convention then it was up to the countries themselves to consult with each other to try to solve those problems.

149. The Representative of Peru, Ing. Antonio Morizaki Taura, said that while countries like Costa Rica were fully entitled to make such proposals, other countries sought different ways to solve the problems, such as sustainable development as pursued by ITTO. If each country was sovereign, then inclusion in Appendix II of *Swietenia macrophylla* had been voted upon by the Conference of the Parties and it had been agreed not to list this species. If countries did not want this species listed in Appendix II, then that was all the more reason to reject it in Appendix III.

150. Mr. van Vliet said that all that an Appendix III listing required was presentation of a certificate of origin. There was no implication for the restriction of trade.

151. The Representative of Malaysia, Mr. Amha bin Buang, alluded to Resolution 9.25 of the Conference of the Parties at Fort Lauderdale in November 1994. The request from the Government of Costa Rica had been received by the Secretariat on 16 December 1994. When did Resolution 9.25 take effect? He also asked the meaning of the reservation contained in Paragraph 3 of the Convention.

152. Mr. van Vliet said that the Conference at the Parties at Fort Lauderdale had decided that Resolution 9.25 should enter into force on 16 February 1995. Regarding reservations, every party had the right to enter a reservation against the listing of a species in Appendix I, II or III, which would only affect that country. If a range state of *Swietenia macrophylla* entered a reservation but the importing state did not, then there would be no effect because the importing state would still require the documentation required by the Convention. If both exporting and importing states entered reservations, then no CITES documentation would be required.

153. The Representative of Bolivia, Ing. Javier López Soria, said that he was concerned by the comment of Mr. van Vliet that countries should discuss the issue amongst themselves. Wasn't this the function of CITES to coordinate actions in order to eliminate such problems?

154. Mr. van Vliet replied that this depended on the basis of what was asked. He had responded to the question of Brazil as to why Costa Rica had made a decision that was its right in the context of the Convention. The Secretariat had to accept it and would not ask Costa Rica in detail for the reasons why it had chosen a particular circumscription. On the other hand, he hoped that with the TWG discussing such issues for future listings, it would eventually be possible to avoid such problems.

155. The Staff Vice-President of the International Wood Products Association, Mr. Robert Waffle, asked if it was correct that there would be a report from the TWG in January to the Standing Committee and that based on this report there may be changes in the terms of reference and the composition of the working group.

156. Mr. van Vliet said that yes, there would be a report prepared on the spot. If it contained recommendations to change the terms of reference or composition, then the decision would rest with the Standing Committee.

157. Mr. Waffle then said that Costa Rica was not a producer of *Swietenia macrophylla* in international trade. Resolution 8.23 and the text of the Convention itself provided for inclusion of species in Appendix III only if the proposing country required the help of other countries in controlling international trade. What was the justification for asking other Parties for help in controlling a trade that did not exist?

158. Mr. van Vliet replied that in CITES, trade referred to any movement of any species across an international border. Costa Rica used CITES as a mechanism to control any trade. If a country requested the inclusion of a species for the protection of remaining specimens, then the CITES Secretariat could not tell them not to do it.

159. The Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, said that she was puzzled by the rationality of the measure. A certificate of origin had to state that a species had come from Brazil and not from Costa Rica. Would Brazilians ever claim that their species had come from Costa Rica? In addition, such certificates of origin could easily be falsified.

160. Mr. van Vliet said that falsifications did exist. He said that Resolution 9.25 was a result of concern amongst Parties regarding the use of Appendix III listings. However, it was too late for this particular proposal. In the future, it should be possible to avoid such confusion because Appendix III was clearly not designed for species with such a wide distribution. He drew attention to the letter sent to Costa Rica which mentioned a third alternative which would do justification to the wish of the country to protect its populations.

161. The Representative of Malaysia, Mr. Amha bin Buang, asked why Resolution 9.25 had not been applied to Costa Rica's proposal since there had been such a long period of consultation. He also asked whether ITTO would be represented on the TWG, and if Mr. van Vliet attend the producer caucus meeting.

162. Mr. van Vliet replied that Resolution 9.25 had entered into force on 16 February 1995 and the proposal was dated beginning of December 1994. As with many legal regulations, you could not start with one date and then at a later date apply a different regulation to it. Although it did take some time to clarify, this had certainly helped in limiting the consequence of the Appendix III listing. Due to such clarification, mahogany from Indonesia was excluded. He said that the ITTO Secretariat had responded that it would be present at the TWG and that he would be happy to attend the producer caucus.

163. The Spokesperson for the Consumers, Mr. David Drake, said that consumers had not asked many questions during this discussion, not through lack of interest but to give producers sufficient time. He said it was an area of deep concern, and the discussion, although not an inquisition, had expressed the level of fundamental national interest involved. On behalf of everyone he thanked Mr. van Vliet for his grace in answering the questions put to him.

Item 11: {Report of the Credentials Committee}

164. The Report of the Credentials Committee was presented by Mr. Hidehiro Hosaka, on behalf of the Credentials Committee Chairman, Mr. Masaya Sagawa (Japan), who was absent. He thanked the Secretariat for facilitating the work of the Committee.

165. The Committee, consisting of Côte d'Ivoire, India, the Netherlands, Peru, Thailand, the United Kingdom and the U.S.A., had met to consider the credentials and attendance of 42 countries and the European Union and recommended to Council that their credentials be approved. The Committee's full report was tabled as Document ITTC(XIX)/11.

Item 12: {Review of Contributions to the Administrative Budgets}

166. The Finance Committee chairman reported their recommendation that Council accept the Document prepared by the Secretariat, ITTC(XIX)/CRP/2, after appropriate minor corrections suggested by delegates. Council received this document.

Item 13: {Administrative Budget Proposals for 1996}

167. The Finance Committee chairman reported that it had not been possible to reach agreement on the proposed Administrative Budget for 1996 {Document ITTC(XIX)/2} and therefore it would be necessary to take a vote on the alternative proposals. Debate began when the Chairman requested Mr. Erik Chrispeels, Senior Legal Adviser to UNCTAD, to provide clarification on a number of issues that had been raised.

168. Mr. Chrispeels listed the questions he had been asked to answer:

- i) Who can vote?
- ii) How does the voting take place?
- iii) How is the vote structured?

169. Decision-making in the Council was governed by the Council's Rules of Procedure. Article 19 Para.3 said that the Council was to approve a budget i.e. by a simple majority. A vote would take place where there was no consensus. A simple majority was defined in Article 9 Para.2, being a simple majority in both caucuses. Article 10 Para. 1-5 of the ITTA, 1983 specified allocation procedures for votes and Para.6 when votes were to be allocated. Adaptation of the distribution of votes could take place only on accession of a new member or suspension of voting rights of existing Members.

170. "Who can vote?" - Mr. Chrispeels explained that this comprised all financial Members, unless the outstanding balance due was only interest and not the actual assessed contribution, or part thereof. The Secretariat should draw up a list of financial members. Recalculation was to be done so that the 1000 votes per caucus remained intact in total.

171. "How does voting take place?" Voting was to take place by a show of hands, as provided for in the Rules of Procedure. Voting should take place caucus by caucus, the Chairman asking for those voting for, against, or abstaining in each group. The Secretariat should record the results, matching the number of votes held by each state against their voting preference. A majority therefore had to consist of at least 501 votes in both groups, majorities being counted in strict separation by caucus. The proposal would not be adopted unless the full

condition was met. Furthermore, the delegation had to be physically present to vote. Abstentions were set aside for the purpose of calculating the majority.

172. "How should the vote be structured?" - Mr. Chrispeels suggested under Rule 25 that two alternative budgets should be submitted with voting in the order in which they had been submitted. If the first proposal is adopted, then by implication the second proposal is rejected. The other way is to have only one proposal, and to have a delegation propose an amendment to delete some item from the budget proposal. In this case, the Council would vote on the amendment, and then on the proposal. If the amendment was adopted it was still logical to vote on the proposal.

[In the event Council voted on the first alternative approach]

173. The Representative of Norway, Mr. Sjur Torgersen, asked whether Members who were non-financial had received the statutory reminder to pay in accordance with Para. 7, and also noted that the Rules of Procedure required any proposal for voting to be written and distributed at least a day before voting was due to take place. No such proposal was available at this stage.

174. The Executive Director advised that all defaulting members had been sent the statutory reminders in April and July as required by the ITTA, 1983.

175. The Chairman referred the second question of the Representative of Norway to the UNCTAD legal counsel, who agreed with the Representative, but suggested that Council could, if it desired, make a decision to waive this requirement.

176. The Representative of Brazil, Mrs. Maria Ercilia Borges Murakami, queried the second alternative voting procedure, and the UNCTAD legal counsel, Mr. Chrispeels, replied that indeed the amendment was voted upon first, before the main proposal.

177. The Representative of Norway, Mr. Sjur Torgersen, noted that the ITTA, 1983, indicated that whilst it was true that Council could waive the requirement for a written agreement, this could not be done if there was an objection, and he was making that objection. Secondly, he wished Members to be aware that the ITTA, 1983 also provided a mechanism for Council to restore voting rights to non-financial Members, if it so desired. The legal counsel for UNCTAD Mr. Chrispeels confirmed that this was indeed the import of the final paragraph of Article 19.

178. The Representative of Colombia, Srta. Paola Ferreira Maini, enquired whether it was possible for votes to be delegated, and more specifically whether Colombia (a financial member) might cast the votes assigned to Panama (a non-financial member) with the latter's authority.

179. In response, Mr. Chrispeels, noted that Art. 11, Para. 2 of the ITTA, 1983 permitted transfers of voting rights within each caucus, provided, of course, such rights existed i.e. the transferring member was financial.

180. The Delegate of Honduras, Ing. Angel Murillo, proposed a motion, based on the points based by Norway, that Council should grant the right to vote to all countries present. He believed it was discriminatory not to do so.

181. The Chairman expressed his desire to reform the former contact group for informal discussions to resolve the matters raised on the voting issue. The group should consist of the two Spokespersons, Norway, the U.S.A., Japan, E.U. representative, Brazil, Honduras, Indonesia, and Ghana. He requested Council's guidance on whether to continue debate on this agenda item in the meanwhile.

182. The Representative for the European Union, Mr. Enzo Barattini, stated that the debate had reached a unique situation, about which he wished to complain. Council had reached the last day of its proceeding, and he appealed to delegates to act with goodwill and avoid the necessity for a vote.

183. The Spokesperson for the Producers, Mr. Amha Buang, supported the E.U. representative's statement, and called for a compromise on the budget.

184. The Representative of Norway, Mr. Sjur Torgesen, the Representative of Brazil, Mrs. Maria-Ercilia Murakami, the Delegate of Japan, Mr. Kenji Suganuma, and the Representative of India, Mr. Ambarish Chaubey, all made statements agreeing that the budget issue should be resolved informally. However, the Representative of Canada, Mr. David Drake, whilst associating Canada with the sentiments expressed by these delegations, recalled that one delegation required the budget to be set at a certain level, and if the requirements of that delegation could not be met, then a vote would be necessary.

[Later the Chairman reported that a vote would be necessary].

185. The Secretariat explained the contents of document ITTC(XIX)/1 Add.1, which re-distributed the votes among financial members, and was derived from document ITTC(XVIII)/1, which recorded the votes approved by Council for 1996 at its first session of the year in Ghana. There were two reasons why revision was necessary; the first was due to the entrance of Fiji into the Organization, and its right to vote, which affected the votes of producer members in the Asia/Pacific region and the second reason was due to advice from the delegation of China that an error in the calculations had occurred as a result of a technical miscommunication. China had advised the Secretariat of the document which contained the correct data; the resulting revision had a minor effect on the votes of other large importers of tropical timber such as Japan and the Republic of Korea.

186. The Representative of Germany, Mr. Gerhard Schmok, quoted Art. 10 Para 5 of the ITTA, 1983, which required the calculation of consumer votes to be based on the data for tropical timber imports using the first three years of the period commencing four calendar years from the date of distribution of the votes. He noted that the Secretariat's calculation, on the contrary, was using figures from a period commencing five years before the present year (1995) i.e. 1990-2.

187. The Secretariat explained that the Organization had originally used the figures from the FAO Yearbook of Forest Products as the time series collected from the data submitted directly by Members to the Forecasting Enquiry was not yet long enough. These figures, when published, had not been sufficiently up-to-date to record the last year in the three-year series required by the ITTA, 1983, and as a result the series was one year in arrears. However, since the ITTO's own forecasting enquiry had entered into use instead of the FAO figures, the Secretariat reported that by 1996 it would be possible to adhere exactly to the terms of the ITTA, 1983 in respect of the time series in use.

188. The Representative of Germany, Mr. Gerhard Schmok, reiterated his position that, if a vote were taken, it would not be in accordance with the existing agreement, the ITTA, 1983, for the reason he had explained. Germany wished this point to be clearly recorded, but was willing to accept the compromise situation using the earlier time series.

189. The Representative of Brazil, Mrs. Maria-Ercilia Borges Murakami, stated that Germany had raised a point of order and it should be addressed.

190. The Representative of the European Union, Mr. Enzo Barattini, stated that the E.U. supported its Member state Germany and had reservations about the legal basis of the vote. The Union would consider its position.

191. The Representative of Brazil, Mrs. Maria-Ercilia Borges Murakami, asked the Secretariat to distribute the Rules of Procedure of the Council. She explained that points of order should be considered against the content of these Rules.

192. The legal counsel, Mr. Chrispeels, stated that the issue raised by Germany was not a point of order. A point of order related to the manner in which the Chairman conducted the meeting. This was the technical definition of "a point of order". Mr. Chrispeels also said that the Germany's comment on the vote calculations did not call into question the legal basis of the procedure.

193. The Representative of Brazil, Mrs. Maria-Ercilia Borges Murakami, re-stated her view that the German statement was indeed a point of order, because it affected the way in which the Chairman would conduct the meeting which would lead to the vote. In the United Nations it was common, when a Chairman was unable to rule on a substantive issue, for the matter to be taken to a vote. Both Germany and the whole European Union had expressed reservations about the legal basis of the vote, and as this would affect the Chairman's conduct of the meeting, it was therefore a point of order.

194. The Chairman requested delegates to accept the advice of the legal counsel.

195. The Spokesperson of the Producers, Mr. Amha Buang drew attention to Rule 15 of the Council's Rules of Procedure, which stated that a point of order should be immediately decided by the Chairman, with the right of appeal open to any representative, an appeal which was to be put to the vote, the Chairman's ruling to stand unless overruled by the vote.

196. The Chairman repeated the legal counsel's advice that the matter raised by Germany was not a point of order.

197. The Representative of the European Union, Mr. Enzo Barattini, reported that the Union, after discussion, and in order not to impede progress, had agreed to proceed to the vote. However, they wished to record their technical reservation as previously outlined.

198. The Representative of Brazil, Mrs. Maria-Ercilia Borges Murakami, asked whether Portugal was entitled to a vote, as recorded on the document circulated by the Secretariat.

199. The Secretariat apologized for an error which had assigned votes to Portugal, which was not financial, and none to Spain, which was. [A clarification was made that Members who had paid all the principal of their assessment to the Administrative Budget and only had interest outstanding were still entitled to vote].

200. The new distribution of votes among financial members was prepared with the necessary corrections, and the Representative of Brazil noted that additional corrections to Ghana's vote had been made.

201. The Chairman informed Council that a small contact group had helped to determine the motions which would be moved for voting purposes. The 1996 budget agreed by the Finance Committee of \$4,202,582 was presented for approval.

202. A motion was moved by Malaysia that this budget be approved by Council. The Representative for the U.S.A., Mr. Robert McSwain, stated that his delegation could not accept this proposal, having a mandate to seek a budget of 5% reduction in nominal terms from the previous year. Therefore the U.S.A. requested a vote.

203. The Representative of Brazil, Mrs. Maria-Ercilia Borges Murakami, requested a roll-call vote, in accordance with Rule 26 of the Rules of Procedure. Moreover, in accordance with the following rule, Rule 27, Brazil signified her desire to explain her voting after the vote had taken place.

204. In response to a request from the Representative of Norway, the Chairman explained the procedure. Members in each caucus might support the proposal, oppose it, or abstain.

205. The vote then took place, as prescribed by Chapter V of the Rules of Procedure. The Secretariat recorded the voting as follows:

206. Proposal (moved by Malaysia, opposed by the U.S.A.): "That Council approve an administrative budget for 1996 of \$4,202,582".

Producers: Nine hundred and forty-seven (947) votes for, and none (0) against. (The residual fifty-three (53) votes were of absent delegations).

Consumers: Nine hundred and seven (907) votes for, and fifty-four (54) against. (The residual thirty-nine (39) votes were of absent delegations).

The Chairman declared the motion carried.

207. The Representative of the U.S.A., Mr. Robert McSwain, explained that his delegation's vote did not signal a lack of interest in ITTO, but was a policy requirement which was broadly similar across all international organizations of which the U.S.A. was a Member. It was the U.S.A.'s desire to make the use of resources more efficient.

208. The Representative of Brazil, Mrs. Maria-Ercilia Borges Murakami, explained that Brazil had voted with its caucus to maintain unity, as Brazil had always praised ITTO for adopting decision by consensus. Nevertheless, Brazil did support the concept of a zero growth budget, and because the burden was equally divided, the developing countries had difficulty in meeting their assessments. Mrs. Murakami hoped that during the period of operation of the new treaty, the ITTA, 1994, there would be consideration of the possibility of new criteria for sharing the assessments. This policy position of Brazil was the reason for supporting the creation of the Finance Committee. 85% of ITTO's budget was for human resources, which tended to increase, because ITTO followed U.N. rules and practices on remuneration. Brazil wished to see the saving of money for setting it to good use in sustainable forest management and training which was so essential to the developing countries.

209. The Representative of Canada, Mr. David Drake, stated his country's position that the budget of all international organizations should be set at zero nominal growth. However, the small additional increment of less than 2% for unavoidable reasons could be accepted.

210. The Representative of Japan, Mr. Kenji Suganuma, hoped that this vote would not create a precedent and believed that the consensus system would prevail. He asked delegates to return to their capitals with the clear message of the vote just taken, which was that the ITTO's budget should not be compromised.

211. The Delegate of Indonesia, Mr. Benni Sormin, also agreed that this vote should not be a precedent, especially as so much time had been wasted in discussing the matter.

Item 14: {Financial Resources of the Special Account

- a) Review of Pre-Project Sub-Account} &
- b) Review of Project Account}

212. The Finance Committee chairman reported their recommendation that Council accept the Document prepared by the Secretariat, ITTC(XIX)/CRP/1, after appropriate minor corrections suggested by delegates. Council received this document.

Item 14: {Financial Resources of the Special Account
c) New Contributions to the Special Account}

213. The Representative of Switzerland, Mrs. Manuela Jost Ernst, announced a contribution of one million Swiss francs to the Special Account for the year 1996.

Item 15: {Appointment of Auditors for 1995 Accounts}

214. After considering Finance Committee Document ITTC(XVII)/6, the Council approved the appointment of Price Waterhouse & Co. to audit the Organization's accounts for the financial year 1995.

Item 16: {Projects: a) Reports of the Seventeenth Sessions of the Permanent Committees}

215. The reports of the three Permanent Committees were delivered by the Chairmen of the Permanent Committees on Reforestation and Forest Management, Economic Information and Market Intelligence and Forest Industry, respectively Mr. Derk de Groot (the Netherlands), Mr. Achmad Sumitro (Indonesia) and Mr. Jean Williams Sollo (Cameroon). These reports are compiled in the present volume under Annex V.

216. Mr. de Groot reported on the Permanent Committee on Reforestation and Forest Management. Mr. de Groot said that the Representative of Honduras, Angel Murillo Reina had been appointed Chairman of the Committee for 1996, and that the Delegate for Switzerland, Mr. Jürgen Blaser, had been appointed Vice-Chairman. He requested the Council to accept and adopt the report (PCF XVII/30 Rev. 1) and the recommendations found within it.

217. The Representative of Indonesia, Mr. Titus Sarijanto, presented the report of the Permanent Committee on Economic Information and Market Intelligence (PCM XVII/9 Rev. 1) in the absence of its Chairman Mr. Michael Martin. The Elements for the 1995 Annual Review of the World Tropical Timber Situation (ITTC(XIX)/3) had been considered at a joint Session of the Permanent Committees, and he requested delegates to provide any additional comments they may have to the Secretariat before the end of the year. He informed Council that Mr. Geoffrey Pleydell, Delegate for the U.K., had been appointed Vice-Chairman of the Committee for 1996. He also mentioned

that the topic of the 1996 Annual Market Discussion, to be held in conjunction with the XX Session of the Council next May, would be 'Changing trade flows in the light of sustainable forest management'.

218. Mr. Kim Young-Han, delegate for Korea, said that the Permanent Committee on Forest Industry had heard reports of 20 projects and 8 pre-projects, and had adopted measures to improve project implementation. There had been 3 new projects and 2 pre-projects approved. Mr. Kim informed Council that he had been appointed as Chairman of the Committee for 1996, while Mr. Bile-Allogho Joachim (Gabon) had been appointed Vice-Chairman. The full report of the Committee is contained in document PCI XVII/7.

Item 16: {Projects: b) Consideration of Project and Pre-Project Proposals}

219. Council considered the reports of the Permanent Committees on Pre-Project and Project Proposals placed before them and, in adopting the Committee reports, decided to approve the recommendations. These are recorded in Decision 1 (XIX) in Annex IV of this volume.

Item 17: { Appointment of the Executive Director}

220. The Representative of Honduras, Mr. Angel Murillo Reina, on behalf of the producer group, proposed the appointment of Dr. B.C.Y. Freezailah as Executive Director of the International Tropical Timber Organization for the period 1 April 1996 – 31 March 1998. The Representative of the Republic of Korea, Mr. Kim Young-Han, on behalf of the consumer group, seconded this proposal. In his acceptance speech, Dr. Freezailah expressed his deep gratitude to the Council for making him beneficiary of his own modest contribution towards the functioning of the Organization, and pledged to continue supporting the Council's endeavours. Several delegations offered their congratulations to the Executive Director for his reappointment.

Item 18: {Election of Chairman and Vice-Chairman for 1996}

221. The Representative of Malaysia, Mr. Amha bin Buang, proposed Mr. Don Wijewardana (New Zealand) for the Chair, and gave a brief outline of Mr. Wijewardana's career. He had been born in Sri Lanka and had migrated to New Zealand 2 decades ago. He had a post-graduate degree in economics and had published several papers. He had held a number of senior policy positions within the New Zealand government and had served as an FAO consultant in Nepal, Kenya and Fiji. He was presently Manager of International Policy in the New Zealand Ministry of Forestry and had participated in many international fora. He was also a Vice-President of the International Society of Tropical Foresters and the N.Z. Secretary of the Commonwealth Forestry Association.

222. Mr. Wijewardana was then unanimously elected as Chairman of the ITTC for 1996. In reply, Mr. Wijewardana thanked the Council for its confidence in him.

223. The current Chairman, Dr. Rubén Guevara Moncada, who left the Session early due to other commitments, expressed his thanks to all delegations, particularly that of Honduras and the other Latin American countries, the producers and consumers, the previous chairman (Mr. Suzuki), the Vice-Chairman, the Executive Director and his staff, particularly Dr. Sobral, the Governments of Ghana and Japan, the interpreters and translators and all others involved in the Council process, and said that it had been an honour and a pleasure to serve as chairman. He said he looked forward to a continued association with the Organization. The Representative of Canada, Mr. David Drake, expressed his thanks to Dr. Guevara for his knowledge, quiet efficiency and his ability to move things forward.

224. The Representative of Canada, Mr. David Drake, proposed Mr. Wisber Loeis (Indonesia) as the new Vice-Chairman for 1996. Mr. Loeis had had a long and distinguished career, and was well-known to many as the Ambassador of Indonesia to Japan, the position he currently held. He had also served as Chairman during the renegotiation of the International Tropical Timber Agreement and rightly took pride as the true architect of the Bali Partnership Fund. He had had a close association with the Organization and was uniquely qualified to help lead the Organization into the new ITTA.

225. The Representative of Indonesia, Mr. Titus Sarijanto, informed Council that Mr. Loeis was unable to attend this Session of the Council due to the Asia-Pacific Economic Council meeting which was taking place simultaneously in Kyoto. On behalf of the Indonesian delegation, he expressed his thanks to members for the confidence they had shown in Indonesia in making the appointment.

Item 19: {Dates of the Twenty-second Session of the Council and the Twentieth Sessions of the Permanent Committees}

226. The Representative of Bolivia, Ing. Javier López Soria conveyed to Council his Government's invitation to hold the Twenty-second Session of the Council and the Twentieth Sessions of the Permanent Committees in Santa Cruz de la Sierra, Bolivia on 21–29 May, 1997, an invitation that was duly accepted by the Council.

Item 20: {Other Business}

227. The Representative of Japan, Mr. Kenji Shimizu, welcomed delegates to the Nineteenth Session of the International Tropical Timber Council and thanked the Executive Director and his staff for their efforts in preparing for the Session. He also conveyed the welcome of the City of Yokohama which, he noted, did not have any discriminatory laws against tropical timbers.

228. He said that the commitment to the Year 2000 Objective was a test of the Organization's credibility and that there was plenty of work ahead in order to achieve it. There was no need, however, to be pessimistic, because ITTO had a great deal of experience which could be built upon. He expressed the hope that there would be substantive discussion of the mid-term review. He also said that the early entry into force of the ITTA, 1994 was crucial, particularly in light of the urgency of the Year 2000 Objective, and he expressed the hope that countries would ratify at the earliest opportunity.

229. Regarding the budget, Mr. Shimizu said that continued efforts were required to streamline the Organization, although it was also important to maintain a healthy and efficient Organization. In this light, the Government of Japan would prefer to strengthen rather than reduce the Organization's capability, although it was willing to go along with zero growth of the Annual Budget in real terms by making appropriate savings and adjusting for the changing exchange rate. He noted that the Special Account was more problematic, though, as past efforts by the Government of Japan to increase its contributions had not been matched by other countries. This was unhealthy, he said, and was beginning to attract the attention of the Government's financial authorities. In closing, Mr. Shimizu said that ITTO should have a more substantive and constructive involvement in the Intergovernmental Panel on Forests and he would welcome discussion on how such involvement could be facilitated.

230. His Excellency, Gabon's Minister of Forestry, Water, Fisheries, Posts, Telecommunications and Environment, Mr. Magnaga Martin Fidèle, congratulated the Chairman and the Executive Director for the important parts they had played in ensuring the good functioning of the Organization. He expressed the delight of his country at the reappointment of the Executive Director and offered his personal congratulations. He thanked the City of Yokohama for their continuing support, and non-governmental organizations for their participation. He hoped that they would continue to ensure that ITTO played a dynamic part in the Organization in its efforts towards sustainable development. He expressed the hope that the progress made under the ITTA, 1983 would continue with even greater effect under the ITTA, 1994. He said that Gabon was a founding member of ITTO and he expected that the ratification of the ITTA, 1994 would be undertaken soon by the national assembly. He expressed his country's determination to pursue all the objectives of the Organization, and those of other international organizations with similar objectives.

231. His Excellency then spoke about Gabon's desire, reflected in its efforts in the U.N. Commission on Sustainable Development and the African Timber Organization, to bring about the sustainable use of resources with conservation. Gabon, he said, had vast forest resources covering 21 million hectares, which was 85 per cent of its territory. With its small population, Gabon had a rate of degradation which was one of the lowest on the African continent. Twenty-five per cent of the workforce was employed in forest industries. The Government thus had two strategic objectives: to increase production and to concentrate development in its most accessible forest. These objectives fell within the framework of the country's efforts to achieve the Year 2000 Objective, which was reflected in Gabon's report to this Council.

232. Support for Gabon's development programme came from ITTO and the World Bank, the latter providing \$22.5 million for sustainable development of the country's forest resources. He said that Gabon's forest development was based on Law 182 which provided the guiding principle in the field of water and forest resources and underlined Gabon's desire to achieve rational development. He said that the aim was to allow a maximum timber export of 2 million m³ per year, although the forests were capable of producing 5 million m³ per year.

233. To encourage the efforts of the private sector to introduce forest management in concessions, the Government of Gabon had established a foundation, the principle objective of which was to inventory and protect virgin forest areas. An inter-ministerial committee had also been established to promote local processing, and His Excellency noted that the experience of Asian countries in such promotion should be of great benefit to his country. He also asked consumer countries to make the Bali Partnership Fund operational and to help promote the transfer of technologies. Tropical Africa had tremendous needs but had been less favoured by the ITTA, 1983. It was essential that countries strove to avoid all kinds of discrimination aimed at the importation of tropical timber. Gabon, he said, had always been committed to studies of a single universal certification system applicable to all timber types.

234. In closing, His Excellency expressed Gabon's wish to host the 24th Session of the Council in May or June 1998 in its capital, and he invited all delegates to participate in that meeting.

235. The Representative of the European Union, Mr. Barattini, said that each Session of the International Tropical Timber Council provided an ideal opportunity to review progress made towards the Year 2000 Objective and this Session was particularly important because it would include the mid-term review. The number of country reports that had been received as input to this review was encouraging and would enable a fruitful discussion, which he hoped would be well organized, would avoid dogmatism and would enable the international community to find ways of assisting progress.

236. He said that consideration of the budget was a traditional activity and that at first sight there were difficulties. He hoped, however, that with an open mind and commonsense these could be overcome. He noted that several previous speakers had referred to the decision of the European Union to ratify the new Agreement. He said that the administrative procedure had been undertaken. The matter should be considered at the meeting of the European Union on 15 November which would make a final decision which in turn would be submitted to the European Ministers for final ratification, perhaps by December this year. Mr. Barattini finished his intervention by thanking the Chairman and the City of Yokohama for its proverbial hospitality.

237. The Representative of China, Mr. Li Lukang queried the number of votes that had been allocated to China, and requested clarification from the ITTO Secretariat.

238. The Chairman requested the Secretariat to take note of this query and to provide an answer as soon as possible.

239. The Representative of Colombia, Srta. Paola Ferreira Maini, thanked the Government of Japan and the City of Yokohama for their hospitality. She said that the Government of Colombia was preparing for provisional ratification of the ITTA, 1994 and had reached consensus as to its importance. Ratification would be pursued when Congress reconvened. He mentioned that Colombia was undertaking reform of its forest policy which followed many of the ITTO guidelines and the comments of the Panel of Experts regarding the methodology for assessing the resources needed and costs incurred to achieve the Year 2000 Objective. He also noted that several ITTO projects implemented in Colombia had helped identify the necessity of pursuing sustainable development.

240. The Chairman expressed his delight that the Government of Colombia was proceeding with ratification, and hoped the example would energize other countries.

241. The Representative of Myanmar, informed Council that the Government of Myanmar had decided to ratify the ITTA, 1994 at a meeting held on 2 November 1995.

242. The Chairman said that Myanmar had joined ITTO recently and thanked the Government of Myanmar for their efforts in ratifying the new Agreement.

243. The Representative of India, Mr. Ambarish Chandra Chaubey, thanked the Organization for its financial assistance towards preparation of its mid-term review of progress towards the achievement of the Year 2000 Objective, although unfortunately the report had been prepared too late for incorporation into the consultants' report.

{ Statement by FAO Representative }

244. The Representative of FAO, Mr. Jim Bourke, told Council that FAO, like ITTO, was in the middle of an active time. FAO was placing great emphasis on building partnerships and had been engaged in dialogue with a number of actors, including the World Bank, UNDP, ITTO, NGOs, the private sector and governments. FAO was closely involved in the work of the Intergovernmental Panel on Forests and had seconded a staff member, Mr. Tage Michaelson, to the Secretariat in New York. Mr. Bourke said that FAO's forestry programme would cover economic, environmental and social dimensions and would address all forests, with special emphasis being placed on forest assessment, statistics which aid strategic planning, community forestry, and capacity building. He said that FAO looked forward to addressing some of these issues in conjunction with other organizations such as ITTO.

245. As an example of the links between FAO and ITTO, Mr. Bourke mentioned that FAO was hosting a meeting of an inter-secretariat working group on forestry statistics later this month, and that this should allow improved collaboration and coordination in this field. He also mentioned a series of meetings being convened by FAO on criteria and indicators to extend the process followed by a number of separate initiatives.

246. Also on the theme of collaboration with ITTO, Mr. Bourke described two FAO projects commenced recently which would benefit from input from ITTO. These were a global outlook study for the supply of fibres for the wood processing industries to 2010; and a timber outlook study for the Asia-Pacific region, again to 2010.

247. Mr. Bourke alluded to diminishing financial resources, reporting that FAO's budget for the next biennium (1996-97) of \$650 million represented both a nominal and real decrease, although the impact this would have on forestry activities was not yet clear. The reduction meant that there would be an even greater need for inter-agency cooperation.

248. Mr. Bourke concluded his intervention by passing on the personal greetings to delegates of the Assistant Director of Forestry, Mr. David Hacharik, a former chairman of ITTO's Reforestation and Forest Management Committee.

249. Mr. Bill Mankin, the coordinator of the Global Forest Policy Project, thanked the Council for the opportunity to participate in the Council Session, commenting that the Organization was relatively open to participation by non-governmental organizations (NGOs). He said that he had been asked by several delegates about whether he would respond on behalf of NGOs to criticisms of them made at this Session. However, he said, too much of the Council's time was wasted on tired rhetoric, unfounded accusations and verbal sparring and didn't set the tone that was needed. He would prefer to participate in the Session by offering substance as and when important issues were raised.

250. The Chairman thanked Mr. Mankin for his frank comments and said that the Council recognized the important role that NGOs play in the workings of the Organization. He said that to achieve the Year 2000 Objective it was necessary to create a synergy between NGOs and the Organization.

251. The Delegate for Denmark, Mr. Morten Bjørner, said that he spoke not on behalf of the Danish delegation but on behalf of the trade. The trade had chosen not to make a statement at this moment but reserved the right to do so later. Nevertheless, following up on the commitment made by the trade at the 18th Session of the Council in Accra, Ghana, where it had been outspoken during the marketing discussion, it had volunteered to provide practical input to future marketing discussions. Since then, representatives from the trade – producers and consumers – had discussed this matter and were about to complete their input, which would be discussed later in the Permanent Committee on Economic Information and Market Intelligence. In brief, the trade had suggestions on the time frame for the market discussion and who the speakers should be.

252. The Representative of China, Mr. Li Lukang, spoke of the importance of the International Tropical Timber Agreement to the international community, and said that timber trade research should be conducted impartially, with a view to mutual benefits. However, he said, due to an unreasonable provision in the new ITTA, 1994 China had placed a reservation on the new agreement at the conclusion of negotiations in Geneva in January, 1994. Nevertheless, in the general interest of strengthening international cooperation in the tropical timber trade, the Chinese Government had made efforts to convince its congress to accede to the new Agreement. Mr. Li personally felt optimistic that such accession was imminent. In the meantime, he hoped that ITTO and the Secretariat would make efforts to promote the use of the Chinese language as one of the official working languages of the Organization, and he expressed a willingness to recommend Chinese nationals to serve in the Secretariat. Appointments of Chinese nationals, he said, would promote the effective involvement of China in the Organization and would enhance intergovernmental relations.

253. The Chairman said that the Chinese suggestion for the use of the Chinese language would be considered within the Organization in the usual manner, and that the Secretariat had noted the request for Chinese nationals in the Organization.

254. The Representative of Canada, Mr. David Drake, said that his country had signed the ITTA, 1994 in July this year and, despite a delay due to administrative reasons, ratification should take place shortly.

255. Mr. Erik Chrispeels, Senior Legal Officer at the United Nations Convention on Trade and Development (UNCTAD), spoke in great detail about the implications for the Organization of the delayed ratification of the International Tropical Timber Agreement, 1994. First, he said that the ITTA, 1983 could be extended indefinitely to cover the period prior to the ITTA, 1994 coming into force (Article 42, paragraph 3 of ITTA, 1983). He then explained that the negotiators of the new Agreement had 'adopted' an agreed text, but that such an adoption did not mean that States committed themselves to the Agreement. For this, subsequent action was required, of which the first was the deposit by an authorized functionary of a signature to the Agreement at the United Nations headquarters in New York. There were two types of signature, one (which did not legally commit a State to the Agreement) was subject to subsequent ratification, approval or acceptance, and the other, 'definitive', which implied a definitive commitment to be bound by the Agreement. The procedures to be undertaken by those States that deposited the first type of signature would depend on their own constitutional procedures. Nevertheless, as provided by Article 40 of the ITTA, 1994, States could make a 'provisional application', whereby the State committed itself legally to the Agreement while awaiting completion of the ratification process.

256. Regarding entry into force of the ITTA, 1994, Mr. Chrispeels said that Article 41 (paragraphs 1 and 2) set out the conditions by which the Agreement could enter into force either definitively or provisionally. The dates by which the conditions were required to be met had now passed, although the requirements for the producer countries had been met by the later date of 1 September 1995. In this case, Paragraph 3 of Article 41 was of critical importance, he said. He read this paragraph and noted that it stated that the Secretary General of the United Nations must convene a meeting 'at the earliest possible time'. There were several precedents for such a situation for commodity agreements, including those for jute and cocoa. The task of convening this meeting had been delegated to the UNCTAD Secretary General who would do so, probably in Geneva. The interpretation of the words "earliest possible time" was generally pragmatic in practice, and was usually as soon as the requirements for the new Agreement were close to being met. In this, the Secretary General of UNCTAD would rely on the advice of the Executive Director of the Organization. Governments that had signed and submitted an instrument of ratification, approval or acceptance, or had made provisional application or made definitive signatures, would participate in this meeting. All other governments would be invited as observers. If the decision of the meeting was to bring the Agreement into force, only those that had ratified would become members of the new Council and the ITTA, 1983 would terminate on the same day. The meeting would take no longer than 40 minutes to complete.

257. This presentation was proceeded by a number of questions and clarifications from the floor. Mr. Enzo Barattini, Representative of the European Union, asked if there was some difference between the English and French versions of the Agreement, because he interpreted the phrase 'the earliest practicable time' in French to mean 'reasonably soon'. He said the Organization was in a vacuum. The meeting had not been called and the September deadline had passed. Were those countries that had not ratified the new Agreement still able to do so? Mr. Barattini also asked if it would be wise to call a meeting of those countries that had already signed as quickly as possible to declare a commitment to the new Agreement and to set another deadline. This would give some sort of legal certainty to those governments that must sign or ratify the Agreement.

258. Mr. Chrispeels replied that there was no legal gap, as he had explained, since the ITTA, 1983 could be extended indefinitely. Mr. Chrispeels referred to Article 38, paragraph 1 which stated that the agreement shall be open for signature from 1 April 1994 "until one month after its entry into force". Thus, the fact that the 1 September deadline had passed did not mean that a legal gap had been created, since the Agreement was still open for signature and ratification. As to the desirability of having the meeting as soon as possible, Mr. Chrispeels said that it was up to the Council to decide as to what was desirable. On the necessity for creating a time period for completion of the necessary actions to bring the new Agreement into force, Mr. Chrispeels said that such a time period was not provided for in the written text of the Agreement but, again, the Council could decide to establish some informal agreement to this end.

259. The Delegate for Japan, Mr. Hidehiro Hosaka, asked if the Agreement could enter into force definitively if all the necessary conditions were met in the future, without the need to convene a meeting. He also asked if all Council decisions made under the ITTA, 1983 were automatically adopted under the ITTA, 1994 when it came into force.

260. Mr. Chrispeels assured Mr. Hosaka that the Agreement could still enter into force definitively if the necessary requirements were met in accordance with Paragraph 1 of Article 41 which stated that the Agreement could come into force definitively "on 1 February 1995 or on any date thereafter". The U.N. meeting, pursuant to Paragraph 3, to put the Agreement into force would still have to take place, however. Mr. Chrispeels also explained that all the decisions taken by the Council under the ITTA, 1983 stood on their own, and would not have to be endorsed by the Council convened under the ITTA, 1994.

261. The Representative of Germany, Mr. Gerhard Schmok, asked what majority was needed for any decision at the meeting in Geneva to be adopted.

262. Mr. Chrispeels replied that there were no written rules of procedure for meetings of this kind but in practice such meetings had reached decisions by consensus. If, hypothetically, one government did not agree with the consensus position, what would probably happen was that the Agreement would enter into force amongst those who said yes. He referred to Paragraph 3 in this regard. He also brought up an additional point referring to whether the Agreement should be brought into force provisionally or definitively. The practice was that in such circumstances as had arisen with the ITTA, 1994, the Agreement would first be brought into force provisionally and, later, when the requirements for entering into force definitively were met, the Agreement would automatically enter into force definitively.

263. The Delegate from Mexico, Mrs. Diana Ponce Nava, said that she hoped that shortly the Mexican senate would decide to ratify the ITTA, 1994. She thanked the Government of Japan for its hospitality, the Executive Director and his staff, and offered her congratulations to the Chair and Vice-Chairs on their election.

264. The Representative of the Philippines, Mr. Arnaldo P. Mosteiro, informed Council that the XX Session of the Council would be held in Manila, Philippines, and he reiterated the invitation of the Government of the Philippines to all delegates.

Item 21: {Decisions and Report of the Session}

265. The Chairman tabled the draft Decisions of the Council at its Nineteenth Session. After settling several queries, the Council approved these, and they are reproduced in this report as Annex IV.

Item 22: {Closure of the Session}

266. The Spokesperson for the Consumers, Mr. David Drake, began his closing remarks with a comment on the budget, acknowledging that the voting took up a large part of the Council's time but that this was unavoidable and it was important that because of it the Organization did not lose its consensual approach. He then spoke about the mid-term review which he said was very important to both producers and consumers. He said that the consumer group welcomed efforts being made to attain the Year 2000 Objective and appreciated the presentations that had been made by producers. Consumers, he said, had noted the successes and recognized the many obstacles, including the lack of human resources and the need for technology transfer. The debate on the mid-term review had been in the spirit of partnership although consumers would have liked to have seen more reflection of the consensus in the decisions. He looked forward to the important decisions that would arise from the process and the consumers had tabled a number of suggestions in this regard. On the Intergovernmental Panel on Forests, Mr. Drake thanked the Executive Director for his report. He noted that 13 projects and 7 pre-projects had been financed, and he reiterated the need for effective monitoring of projects. He said the decision on intellectual property rights was an important one, as was the decision on preparation for the new agreement (which he hoped would be in force by the next Council Session), because there was a need to improve the operation of the Organization. He was pleased that Dr. Freezailah would be at the helm of the Organization for the foreseeable future and he spoke of the honour he felt at being elected as Consumer Spokesperson. In closing, Mr. Drake thanked the Government and people of Japan, all those responsible for the organization of the meeting, the translators and interpreters, the Secretariat, his colleagues in the producer and consumer groups, the Producer Spokesperson Mr. Arnha bin Buang, the Chairman, the Vice-Chairman of the Council and the Chairmen and Vice-Chairmen of the Permanent Committees.

267. The Spokesperson for the Producers, Mr. Amha bin Buang, said that he shared the aspiration of his counterpart, the Spokesperson for the Consumers, in hoping that the new agreement would be in force by the time of the next Council Session. He said that the Session had been graced by Ministers from Ghana, Gabon and Malaysia, who had highlighted the expectations, hopes, concerns, frustrations and dismay felt by producers regarding developments in the tropical timber situation. He noted the Executive Director's statement which referred to the constraints placed on him and his staff by the Council's reluctance to provide new funds for the operation of the Secretariat. He spoke of the commitment of the Executive Director to operate in the best and most effective way, and he congratulated him on his reappointment, noting, however, that in many ways the position was an unenviable one. Regarding the mid-term review reports, Mr. Amha cherished the fact that producers had come forward to provide information on progress made and the obstacles encountered, particularly with regard to the provision of financial resources and market access. The obstacles were daunting, but he hoped that the enthusiasm of the producers was a clear indication of their serious commitment to the Year 2000 Objective. He also hoped that it would dispel doubts expressed by certain NGOs. Regarding CITES, Mr. Amha said that care must be taken before involving tropical timber, because people's livelihood would be affected and he hoped that ITTO, despite other priorities, would give adequate attention to this issue. He said that he was upset that some proposed decisions had been deferred and he hoped that in Manila consumers would be more forthcoming in response to the legitimate and crucial concerns of the producers. He ended his closing remarks by congratulating the new office-bearers of the Council and by thanking the Executive Director and his staff, the Government and people of Japan, all those responsible for the organization of the meeting, the translators and interpreters, his colleagues in the producer and consumer groups, the Consumer Spokesperson Mr. David Drake, the Chairman and Vice-Chairman of the Council and the Chairmen and Vice-Chairmen of the Permanent Committees.

268. The Executive Director summarized the outcomes of the Session, emphasizing the importance of the mid-review. He also confessed uneasiness about the manner in which it was decided to resolve differences over the budget by voting, and he expressed his fervent prayer never to see the Council resort to that sort of procedure again. He concluded by thanking those who made the Session possible, including the Government of Japan, the City of Yokohama, the interpreters and translators, the conference assistants and all others who had facilitated the organization of the Session. He wished delegates a safe journey back to their respective posts.

269. The Vice-Chairman of Council, Mr. Don Wije-wardana, said that it was not the number of decisions that were reached that defined the success of a Council Session, it was the process that was gone through, and in that regard the Council had been tested and had survived well. He thanked the City of Yokohama, the Government of Japan, the Spokesmen, the Chairman (Dr. Guevara Moncada), the Executive Director and his staff, the drafting committee, the Chairmen and Vice-Chairmen of the Permanent Committees, all those responsible for the organization of the meeting, the translators and interpreters. He bid farewell to Mr. Ian Symons (U.K.), who was attending his last ITTO Session. He urged delegates to initiate action with regard to the outcomes of this Session in their home countries and wished them a safe trip home. He then declared the Nineteenth Session of the International Tropical Timber Council closed.

ANNEX I

List of Participants

{Document: ITTC(XIX)/Info. 2 Rev. 1}

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NINETEENTH SESSION
8-16 November 1995
Yokohama, Japan

PROVISIONAL LIST OF PARTICIPANTS

**NINETEENTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL
AND SEVENTEENTH SESSIONS OF THE PERMANENT COMMITTEES**

Yokohama, Japan, 8-16 November 1995

MEMBERS

AUSTRALIA

- * Mr. Mike Drynan
Director, State & International Relations
Section, Forests Branch, Department of
Primary Industries & Energy, Canberra
- ** Dr. Jann Elizabeth Williams
Assistant Director, Forests Branch, Department
of the Environment, Sport & Territories,
Canberra
- *** Mr. Greg Dodd
Project Officer, Forests Branch, Department of
Primary Industries & Energy, Canberra

BOLIVIA

- * Ing. Javier López Soria
Especialista en Política Forestal, BOLFOR, La
Paz
- ** Ing. David Herrera Pinedo
Director Proyecto PD 33/93 Rev.1 (F),
Ministerio de Desarrollo Sostenible y Medio
Ambiente

BRAZIL

- * Mrs. Maria Ercilia Borges Murakami
Head of the Agriculture and Commodities
Division, Ministry of External Relations
- ** Mr. Raimundo Deusdará Filho
General Coordinator of the Politics for the
Sustainable Use of Natural Resources, Ministry
of the Environment
- Mr. Cleuber Delano José Lisboa
IBAMA, Special Projects Division - Chief,
Brasília
- Ms. Cecília G. Malaguti de Souza
Manager of Received Multilateral Technical
Cooperation, Brazilian Agency for Cooperation,
Ministry of External Relations
- Mr. Paulo Borda Silos
Third Secretary, Embassy of Brazil, Tokyo
- *** Mr. Gabriel Gasparetto
Executive Director - AIMEX/Brazil, Association
of the Lumber/Plywood Exporters of Pará
- Mr. Paulo Baibich
Union of Lumber Producers of Paraná State

(n.r.) not registered during the Sessions.

- * Representative/Représentant/Representante
- ** Alternate representatives/Représentants suppléants/Representantes Suplentes
- *** Advisers/Conseillers/Asesores

CAMEROON

- * M. Makon Wehiong Samuel
 - ** M. Sollo Jean Williams
M. Mbayu Felix
 - *** M. Batoum Themotio
M. Tabi Pierre Emmanuel
- Secrétaire Général, Ministère de l'Environnement et des Forêts, Yaoundé
Directeur Général, ONADEF, Yaoundé
Chargé d'Affaires, Ambassade du Cameroun, Tokyo
Attaché de Direction, ONADEF, Yaoundé
First Secretary, Cameroon Embassy, Tokyo

CANADA

- * Mr. David Drake
 - ** Mr. Tony Rotherham
- Director, International Affairs, Canadian Forest Service, Hull
Director, Woodlands Division, Canadian Pulp and Paper Association

CHINA, PEOPLE'S REPUBLIC OF

- * Mr. Li Lukang
 - ** Ms. Tian Shuwen
 - *** Mr. Zhang Zhongtian
- Mr. Hu Hai
- Mr. Hong Jusheng
- Mr. Li Zhiyong
- Deputy Director-General, Department of International Cooperation, Ministry of Forestry, Beijing
Deputy Director, Department of International Trade & Economic Cooperation, Beijing
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* * *

ANNEX II

Agenda

{Document: ITTC(XIX)/1}

Distr.
GENERAL

ITTC(XIX)/1
10 August 1995

Original: ENGLISH

NINETEENTH SESSION
8-16 November 1995
Yokohama, Japan

AGENDA

1. Opening of the Session
2. Ascertainment of the Quorum
3. Adoption of Agenda and Organization of Work
4. Report on Membership of the Council
5. Distribution of Votes
6. Admission of Observers
7. Statement by the Executive Director
8. Annual Review and Assessment of the World Tropical Timber Situation
9. 1995 Mid-Term Review of Progress towards the Achievement of the Year 2000 Objective - Decision 2(XVIII)
10. a) CITES Listing Proposals by Members - Decision 3(XVI);
b) ITTO Participation in the CITES Timber Working Group - Decision 5(XVIII).
11. Report of the Credentials Committee
12. Review of Contributions to the Administrative Budgets
13. Administrative Budget Proposals for 1996
14. Financial Resources of the Special Account:
 - a) Review of the Pre-Project Sub-Account;
 - b) Review of the Project Sub-Account;
 - c) New Contributions to the Special Account.
15. Appointment of Auditors for 1995 Accounts

16. Projects:
 - a) Reports of the Seventeenth Sessions of the Permanent Committees;
 - b) Consideration of Project and Pre-Project Proposals.
17. Appointment of Executive Director
18. Election of Chairman and Vice-Chairman for 1996
19. Dates of the Twenty-second Session of the Council and the Twentieth Sessions of the Permanent Committees
20. Other Business
21. Decisions and Report of the Session

ANNEX III

**MEMBERSHIP OF COUNCIL AND DISTRIBUTION OF VOTES
FOR MEMBER STATES FOR 1996**

DISTRIBUTION OF VOTES

	<u>No. of Votes</u>	
	<u>1994</u>	<u>1995</u>
<u>PRODUCERS</u>		
Africa		
Cameroon	28	28
Congo	28	28
Côte d'Ivoire	28	28
Gabon	28	28
Ghana	28	28
Liberia	28	28
Togo	28	28
Zaire	28	28
Asia & Pacific		
Fiji	—	17
India	34	32
Indonesia	172	163
Malaysia	141	135
Myanmar	34	36
Papua New Guinea	28	29
Philippines	25	21
Thailand	21	18
Latin America/Caribbean		
Bolivia	26	26
Brazil	141	139
Colombia	29	29
Ecuador	18	18
Guyana	19	19
Honduras	14	14
Panama	15	15
Peru	31	30
Trinidad and Tobago	13	14
Venezuela	15	21
Total:	1,000	1,000

CONSUMERS

Australia	18	16
Canada	12	12
China	38	91
Egypt	15	15
European Union		
Austria	11	11
Belgium/Luxembourg	27	21
Denmark	12	12
Finland	11	10
France	47	41
Germany	37	34
Greece	14	13
Ireland	13	12
Italy	38	35
Netherlands	43	33
Portugal	18	17
Spain	26	27
Sweden	11	11
United Kingdom	45	45
Japan	349	334
Nepal	10	10
New Zealand	10	10
Norway	11	11
Republic of Korea	105	106
Russian Federation	13	12
Switzerland	11	11
United States of America	55	50
	1,000	1,000
Total:		

ANNEX IV

**TEXT OF THE MAIN DECISIONS ADOPTED
BY THE COUNCIL AT ITS NINETEENTH SESSION**

**{Documents: Decision 1(XIX) - ITTC(XIX)/12
 Decision 2(XIX) - ITTC(XIX)/13
 Decision 3(XIX) - ITTC(XIX)/14
 Decision 4(XIX) - ITTC(XIX)/15
 Decision 5(XIX) - ITTC(XIX)/16
 Decision 6(XIX) - ITTC(XIX)/17}**

Distr.
GENERAL

ITTC(XIX)/12
16 November 1995

Original: ENGLISH

NINETEENTH SESSION
8-16 November 1995
Yokohama

DECISION 1(XIX)
PROJECTS AND PRE-PROJECTS

The International Tropical Timber Council,

Having considered at its Nineteenth Session the recommendations of the three Permanent Committees on Projects and Pre-Projects, as contained in documents PCM(XVII)/9 Rev.1, PCF(XVII)/30 Rev.1 and PCI(XVII)/7.

1. Decides:

(i) To approve the following Projects:

PD 25/95 Rev.1 (M)	Training Workshops on Tropical Forestry and Timber Trade Statistics (\$1,013,960.00)
PD 49/94 Rev.1 (F)	Establishment of an Ongoing Forest Monitoring Network (Permanent Growth Plots) in the Forest Reserves and Woodlots of the Guiana Region (\$265,498.30)
PD 10/95 Rev.2 (F)	Evaluation of Silvicultural Trials of Indigenous Timber Species for Developing Forest Plantations in Gabon (\$221,712.00)
PD 14/95 Rev.2 (F)	Model Forest Management Area - Phase II (\$1,998,235.00)
PD 28/95 Rev.1 (F)	International Conference on Community Forestry: As a Strategy for Sustainable Forest Management (\$162,271.00)
PD 30/95 Rev.1 (F)	Dissemination and Training on ITTO Guidelines and Criteria - Phase II (\$1,655,295.00)
PD 37/95 Rev.1 (F)	Management of Cative Forests and Non-Timber Products with the Participation of Rural and Indigenous Communities, Darien, Panama (\$1,042,667.00)

- PD 39/95 Rev.2 (F) Institutional Strengthening for the Sustainable Management of Forest Plantations
(\$694,886.00)
- PD 41/95 Rev.1 (F) Piloting Collaborative Forest Management Systems for Off-Reserve Areas in Southern Ghana
(\$333,380.00)
- PD 43/95 Rev.1 (M,F,I) First Latin American Workshop on Tropical Forests Within the Framework of the International Tropical Timber Agreement
(\$61,718.00)
- PD 47/94 Rev.3 (I) Industrial Utilization of Lesser-Known Forest Species in Sustainably Managed Forests
(\$735,335.00)
- PD 24/95 Rev.1 (I) The Identification, Properties and Uses of the Tropical Timber Imported to China from Latin America
(\$112,000.00)
- PD 33/95 Rev.3 (M,F,I) Impacts of Increased Utilization of Lesser-Used Species (LUS)
(\$138,205.00)

(ii) To authorize financing for immediate implementation of the following Projects:

- PD 14/95 Rev.2 (F)
PD 28/95 Rev.1 (F)
PD 37/95 Rev.2 (F)
PD 39/95 Rev.1 (F)
PD 41/95 Rev.1 (F)
PD 47/94 Rev.3 (I)
PD 33/95 Rev.3 (M,F,I)
PD 95/90 (F) Ph. III

(iii) To authorize the release of additional funds to allow the continued implementation of the following Projects:

- | | |
|-----------------------|----------------|
| PD 1/93 Rev.1 (M,F,I) | (\$140,727.65) |
| PD 104/90 Rev.2 (F) | (\$202,064.87) |
| PD 32/93 Rev.2 (F) | (\$38,217.00) |
| PD 73/89 (M,F,I) | (\$231,500.00) |

(iv) To authorize financing for immediate implementation as soon as funds are available in the Special Account, of the following Projects approved at this Session:

- PD 25/95 Rev.1 (M)
PD 49/94 Rev.1 (F)
PD 10/95 Rev.2 (F)
PD 30/95 Rev.1 (F)
PD 43/95 Rev.1 (M,F,I)
PD 24/95 Rev.1 (I)

2. Decides:

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

PPD 10/95 Rev.1 (M)	Analysis of Macro-economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber from the Asia-Pacific Region -- Phase III (\$232,050.00)
PPD 12/95 Rev.2 (M)	Evaluation and Enhancement of ITTO's Statistical Functions and Networks (\$383,282.00)
PPD 13/95 Rev.1 (M)	Creation of a Structure for Research, Collection and Publication of Economic Information with the View to Establish a Sustainable Database on the Marketing of Timber in Cameroon (\$39,350.00)
PPD 8/95 Rev.2 (F)	Mangrove Resource Information System Evaluation of the Scope and Content of Existing Databases (\$96,427.00)
PPD 17/95 Rev.1 (F)	Development and Promotion of Afforestation in Egypt (\$77,015.00)
PPD 18/95 (F)	Consolidation of Sustainable Forest Management in the Panamanian Moist Tropics Through Forest Extension and Research Strengthening (\$49,849.00)
PPD 11/95 Rev.2 (I)	International Conference on Value-Added Hardwood Processing and Utilization (\$107,534.00)
PPD 15/95 Rev.2 (I)	Ghana Seminar to Prepare and Approve Projects for Networked Research into the Processing, Utilization and Marketing of Small Diameter Timber from Plantations in Africa (\$39,169.42)

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

PPD 10/95 Rev.1 (M)
PPD 12/95 Rev.2 (M)

- (iii) To authorize financing for immediate implementation as soon as funds are available in the Special Account, of the following Pre-Projects approved at this Session:

PPD 13/95 Rev.1 (M)
PPD 8/95 Rev.2 (F)
PPD 17/95 Rev.1 (F)
PPD 18/95 (F)
PPD 11/95 Rev.2 (I)
PPD 15/95 Rev.2 (I)

3. Decides to approve the following activity and to authorize financing for immediate implementation:

Eleventh Expert Panel for Technical Appraisal of Project Proposals, 26 February-1 March 1996

4. Urges Members to consider financing those approved Projects and Pre-Projects for which funds are not immediately available.

5. Appeals to Members to make unearmarked contributions to the Special Account which comprise at least 10% of the total value of their pledges, in accordance with Decision 6(XIII), the remainder being voluntary contributions allocated to approved Projects and Pre-Projects, and furthermore decides that such unearmarked contributions shall not be allocated without the prior authorization of the Council.

6. Requests the Executive Director to continue consultations with potential donors and the Common Fund for Commodities in order to secure financing for those Projects and Pre-Projects for which funds are not immediately available.

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GENERAL

ITTC(XIX)/13
16 November 1995

Original: ENGLISH

NINETEENTH SESSION
8 - 16 November 1995
Yokohama

DECISION 2(XIX)

FINANCIAL MANAGEMENT OF THE ADMINISTRATIVE BUDGET FOR 1996

The International Tropical Timber Council;

Recalling Chapter 1 of its Financial Rules and Rules relating to Projects;

Authorizes an Administrative Budget of US\$4,202,582.00 for the Financial Year 1996.

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8 - 16 November 1995
Yokohama

DECISION 3(XIX)
INTELLECTUAL PROPERTY RIGHTS

The International Tropical Timber Council;

Recalling the ITTA, 1983, which established the Organization as a new and unique legal entity;

Noting that projects funded by the ITTO Special Account produce a wide variety of publications;

Further noting that certain ITTO research and development projects may give rise to patentable inventions;

Desiring to ensure that ITTO receives due legal protection of its intellectual property and all royalty income where applicable;

Decides to:

1. Request the Executive Director to employ the services of a consultant, subject to the availability of funds in the Special Account, to prepare a report for consideration by Council based on the following terms of reference:
 - a) Examination of the intellectual property right protection systems in use or under consideration by other international organizations such as the multilateral development banks, U.N. agencies, international commodity organizations and the Common Fund for Commodities.
 - b) Investigation of the legal and administrative implications for ITTO in adopting any such systems used by other international organizations.
 - c) Consideration of the management of revenues from the sale or use of ITTO intellectual property rights.
 - d) Development of draft guidelines on the protection of ITTO intellectual property rights.
2. Consider the consultant's report at the Twentieth Council Session.

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16 November 1995

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NINETEENTH SESSION
8 - 16 November 1995
Yokohama

DECISION 4(XIX)

PREPARATION FOR ENTRY INTO FORCE OF THE ITTA, 1994

The International Tropical Timber Council;

Mindful of the necessity to prepare for the entry into force of the ITTA, 1994, which is expected to take place in the near future;

Noting that the ITTA, 1994, identifies additional objectives for the ITTO, which may have workload implications for the Secretariat and may require changes in the way the Organization operates;

Also noting that, in accordance with Decision 8(XVIII), a report on strengthening the project cycle will be presented to the Twentieth Session of the Council;

Decides to request the Executive Director to:

1. Present a report at the Twentieth Session of the ITTC on the management of the work of the Secretariat, the Council and the Permanent Committees, which draws on the experience gained since the inception of the ITTA, 1983 and recommends changes needed in the light of the ITTA, 1994.
2. Include on the agenda for the Twentieth Session a discussion of the implications of the entry into force of the ITTA, 1994.

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ITTC(XIX)/16
16 November 1995

Original: English

NINETEENTH SESSION
8-16 November 1995
Yokohama, Japan

DECISION 5(XIX)

APPOINTMENT OF THE EXECUTIVE DIRECTOR

The International Tropical Timber Council,

Recalling its Decision 4(I) by which it appointed Dato' Dr. Freezailah bin Che Yeom as the Executive Director of the International Tropical Timber Organization from 1 November 1986 to 31 March 1990,

Referring to its Decision 5(XV) which extended the appointment of Dato' Dr. Freezailah bin Che Yeom for a further term of two years with effect from 1 April 1994 to 31 March 1996,

Noting with appreciation his dedication and untiring contribution to the management of the Organization,

Decides in accordance with the Article 16 of the International Tropical Timber Agreement, 1983, to extend the appointment of Dato' Dr. Freezailah bin Che Yeom for another term of 24 months.

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ITTC(XIX)/17
16 November 1995

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NINETEENTH SESSION
8 - 16 November 1995
Yokohama

DECISION 6(XIX)

APPOINTMENT OF AUDITOR FOR THE 1995 FINANCIAL YEAR ACCOUNTS

The International Tropical Timber Council;

Noting the requirements of Rules 7 & 16 of the Financial Rules and Rules relating to Projects,

Decides to appoint the firm of Price Waterhouse to audit the accounts of the Organization for the Financial Year 1995.

ANNEX V

**REPORTS OF THE NINETEENTH SESSIONS OF
THE THREE PERMANENT COMMITTEES**

{Documents: PCM(XVII)/9 Rev.1
PCF(XVII)/30 Rev.1
PCI(XVII)/7 }

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PCM(XVII)/9 Rev.1
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SEVENTEENTH SESSION
8-16 November 1995
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**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL
SEVENTEENTH SESSION OF THE PERMANENT COMMITTEE ON
ECONOMIC INFORMATION AND MARKET INTELLIGENCE**

REPORT

1. Opening of the Session

The Seventeenth Session of the Committee was opened on 8 November 1995 at a Joint Session of all three Permanent Committees under the Chairmanship of Mr. Michael Martin (U.S.A.), Chairman of the Permanent Committee on Economic Information and Market Intelligence. The list of participants is reproduced in document ITTC(XIX)/Info.2. It was agreed to convene in a Joint Session to take up items 4 and 5 of this Agenda.

2. Adoption of Agenda and Organization of Work

The Committee adopted the Agenda of its Seventeenth Session as contained in document PCM(XVII)/1.

3. Admission of Observers

The list of observers admitted by the Committee is reproduced in document ITTC(XIX)/Info.3.

4. Annual Review and Assessment of the World Tropical Timber Situation

This item was taken up at a Joint Session of all Committees. The discussion began with a summary presentation by the ITTO Statistician of the Secretariat document: Elements for the Annual Review and Assessment of the World Tropical Timber Situation, 1995. Members were urged to intensify their efforts in providing timely, reliable and comprehensive statistics to the Organization. Efforts were being made by the Secretariat to source the necessary data and encourage responses by producing members partly through the gradual establishment of a network of national correspondents and through the organization of Statistical Training Workshops. Furthermore, the Secretariat was currently working with other relevant agencies concerned to coordinate its statistical work and thus avoid overlap. At the close of the discussions, members were invited to submit corrections and/or additions to the Secretariat by 31 December 1995 for incorporation in the final version of the Review.

5. Review of ITTO Activities in Progress

PPA/16-31 Study of the Developments in the Formulation and Implementation of Certification Schemes for All Internationally Traded Timber and Timber Products

The Committee was informed that two consultants, Dr. Markku Simula (Finland) and Dato' Baharuddin Ghazali (Malaysia) had been retained to complete this study. It would be prepared in time for consideration at the Twentieth Session of the Council in Manila, Philippines (15-23 May 1996).

PPA/16/32 Study of Markets and Market Segments for Certified Timber and Timber Products

A Joint Session of the Committees met to consider this item. The draft study prepared by the two consultants, Mr. John Wadsworth (U.K.) and Mr. Peter Boateng (Ghana), was presented to the Session. Since members had received the study late and had identified several errors and omissions, they requested time to make submissions for incorporation in a revised document. This revised document should be prepared by the consultants and submitted to reach the Secretariat by 20 December 1995. The Secretariat will ensure prompt translation and distribution of the document to all members for their consideration at the Twentieth Session of the Council in Manila, Philippines (15-23 May 1996).

6. Report of Pre-Project Work in Progress

The Committee considered a report [document PCM(XVII)/4] prepared by the Secretariat on the progress or status of pre-projects approved for financing and implementation by the Council. The Committee took note of the progress report on the following three pre-projects:

1. **PPD 4/94 Rev.1 (M,F,I) Groundwork for an ITTO Information System**

The Secretariat reported that the pre-project was behind schedule but that an Information Officer had now been appointed. A final report would be ready for consideration at the next Session of the Committee.

2. **PPD 4/95 (M) Management and Utilization of the "Paca" (*Guadua sarcocarpa*)**

The Secretariat reported that consultations were almost concluded on the terms of a pre-project agreement. The Government of Peru was in the process of establishing initial contacts with a Chinese bamboo expert who would assist in conducting the feasibility study.

3. **PPD 7/95 (M) Creation of a National System for the Collection and Processing of Congo Forestry Statistics**

The Secretariat reported that the pre-project agreement had been concluded with the Government of Congo. Consultants are currently being engaged for the work.

7. Report of Project Work in Progress

The Committee considered a report [document PCM(XVII)/5] prepared by the Secretariat on the progress or status of Projects approved for financing and implementation by the Council. The Committee requested the preparation of a bi-annual monitoring/evaluation schedule covering the three Permanent Committees to optimize the use of regional offices and to allow for coordination with donor country monitoring. The Committee took note of the progress report on the following ten projects:

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

The Secretariat informed the Committee that the project was behind schedule. Most of the regional workshops have been completed, but no reports have yet been received by ITTO, possibly due to delays in translating the reports from the original Portuguese version.

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

The representative of Gabon gave a comprehensive overview of progress on this project, indicating that it was on schedule and proceeding well. An ITTO representative is to attend the regional workshop scheduled for early 1996.

3. **PD 16/93 Rev.4 (M) Market Information Service (MIS) for Tropical Timber and Timber Products**

The Secretariat provided details of progress in the installation of the new MIS at the ITTO Headquarters in Yokohama. The MIS will strengthen ITTO's in-house capability in the area of market intelligence. The MIS will be addressing trade and marketing issues emerging as the tropical timber trade undergoes the continual transition from being commodity-based to a trade based on the value-added products from sustainable sources. It will incorporate a database for consumer and producer member countries, it will incorporate regular market bulletins from a world-wide network of market correspondents offering analysis and projections of market trends and it will also be reporting on other relevant issues. ITTO will begin producing the reports in January 1996 and will take steps to avoid duplication of any work which continues to be undertaken by ITC.

4. **PD 27/93 Rev.2 (M) Training Workshops on Tropical Forestry and Timber Trade Statistics - Phase II**

The Secretariat gave details of the successful completion of the first two workshops under the second cycle of this project. The Committee requested that the review of the project scheduled to be carried out before its completion be expedited to allow for any pertinent recommendations to be taken into account in designing future workshops.

5. **PD 5/94 Rev.3 (M) Development of Computerized Information System for the Forestry Commission of Ghana**

The representative of Ghana gave a brief progress report. Switzerland requested a work plan showing targets attained so far.

6. **PD 34/94 Rev.1 (M) Establishment and Implementation of a Forest Statistical Information System (Colombia)**

The Secretariat pointed out that the project agreement had been through a number of revisions and was currently with the Government of Colombia. The Chairman called on members to try to expedite their handling of project agreements in order to ensure prompt start-up of projects.

7. **PD 35/94 Rev.4 (M,I) Forest Products Marketing Organization Feasibility Study**

The Secretariat informed the Committee that the first instalment of funds had been sent and, after competitive tender and bidding, a consulting company had been selected to begin work. Switzerland requested a work plan showing targets attained so far.

8. **PD 19/94 Rev.2 (M,I) Forest Industry Diagnosis in Peru**

This project is still awaiting financing. Council will be requested again at this Session to allocate funds for the implementation of the project. If unfunded at this Session, this project will lapse under the "sunset" clause of the ITTO Project Cycle.

9. **PD 46/94 (M,F,I) Forestry Law Regulation**

This project is still awaiting financing. Council will be requested at this Session to allocate funds for the implementation of the project. If unfunded at this Session, this project will lapse under the "sunset" clause of the ITTO Project Cycle.

10. **PD 50/94 Rev.2 (M) Selection and Introduction of Lesser-known and Lesser-used species for Specific End-uses, Phase 4 (Netherlands)**

This project is still awaiting financing. Council will be requested again at this Session to allocate funds for the implementation of the project.

8. Consideration of Project and Pre-Project Proposals

The Committee had before it four project and three pre-project proposals evaluated by the Expert Panel for the Technical Appraisal of Project Proposals at its Tenth Session in Yokohama (21-25 August 1995). Following the practice in the other two Permanent Committees, the Committee decided to consider only those projects which were recommended to it by the Expert Panel. Consequently the Committee considered only two new projects and three new pre-project proposals. In addition, the Committee re-considered a proposal from the Government of Indonesia which had been submitted originally to an earlier Session.

PD 43/94 Rev.2 (M) Market Intelligence: Tropical Timber Market Information System (Netherlands)

The representatives of SBH and the Netherlands gave the background to the submission of the latest revision to the project proposal. As authorized, a Consultant had been commissioned to undertake an overall evaluation of the series of projects leading up to the present proposal. The consultant came up with recommendations which were incorporated in a second revision of the project proposal. This proposal was then evaluated by the Expert Panel in August 1995. The recommendations of this Panel were consequently incorporated in a third revision of the project proposal.

Following consultations with various delegations and members of the Expert Panel, the representative of the Netherlands informed the Committee that there is widespread support for the project proposal and the results of the previous projects and that the project serves a useful purpose in ITTO's work.

However, because of the more permanent character of the project, which makes it different from most other ITTO projects, the representative indicated that the Netherlands wishes to consider ways of reconfiguring the project and securing additional means of financing. He therefore proposed to defer consideration of this project proposal and to submit, if necessary, a revised project proposal to the next Session. The Committee so agreed.

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

The Committee emphasized the need for the findings of the evaluation called for in the project to be incorporated in the programme for any future workshops. The Committee decided to recommend this project for immediate approval and financing.

PD 27/95 Rev.1 (M) Establishment and Operation of a Forest Strategic Information Center (CIEF) (Peru)

In compliance with the recommendations of the Expert Panel, the representative of Peru agreed to defer consideration of this proposal until the next Session when the Expert Panel will have had the chance to review the revised project proposal.

PPD 10/95 Rev.1 (M) Analysis of Macro-economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber from the Asia-Pacific Region: Phase III (ITTO Secretariat)

The Committee decided to recommend this pre-project for immediate approval and financing.

PPD 12/95 Rev.2 (M) Evaluation and Enhancement of ITTO's Statistical Functions and Networks (Japan)

The Committee noted the importance of this pre-project in light of the evolving statistical role of ITTO and reporting requirements by members. The Committee requested that several revisions be made to the pre-project to strengthen its outputs. These were:

- i) Under section 5 ("Activities and Inputs") add the following activity:
 - * 1.1.0 Empanelling and convening of first meeting of technical working group (TWG) for four days to delineate the scope of work including examination of existing statistical functions under the ITTA (1983) and future directions under the ITTA (1994).
 - * Inputs for this Activity are as per Activity 2.3.1.
- ii) Revise Activity 2.3.1 to begin "Convening of the second meeting...."
- iii) Merge Activities 1.2.1 and 1.2.2 to become:
 - * 1.2.1 Make proposals for information and network systems.
 - * Activity 1.2.3 becomes 1.2.2
- iv) Insert reference to the first meeting of the TWG in Output 1.1 in the Logical Framework Matrix.
- v) Revise the Work Plan and the Budget by Activities as follows:
 - * Activity 1.1.0 becomes First TWG meeting, responsible party is ITTO/TWG members.
 - * Activity 1.2.0 becomes First Consultation Meeting.
 - * Activity 2.1.0 becomes Second Consultation Meeting.
- vi) Revise the Budget as follows:
 - * Include \$84,000 for First TWG meeting (Activity 1.1.0), broken-down as \$74,000 duty travel and \$10,000 miscellaneous. Reduce Activity 1.1.3 by \$6,000 (\$5,000 consultants, \$1,000 computer utilities)
 - * Reduce Activities 1.2.1 and 1.2.2 by \$23,000 (\$15,000 consultants, \$8,000 computer utilities). New (merged) Activity 1.2.1 will have budget of \$17,000 (\$15,000 consultants, \$2,000 computer utilities).
- vii) Revise ITTO Monitoring, Evaluation and Administration to a new total of \$37,282, resulting in new

total budget of \$383,282.

The Committee noted that these revisions would be included in a revised proposal that would be circulated to all interested parties. It therefore decided to recommend this pre-project for immediate approval and financing.

PPD 13/95 Rev.1 (M) Creation of a Structure for Research, Collection and Publication of Economic Information with the View to Establish a Sustainable Database on the Marketing of Timber in Cameroon (Cameroon)

The Committee decided to recommend this pre-project for immediate approval and financing.

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

The representative of Indonesia noted the comments submitted by three ITTO member governments on this proposal. He requested more time to revise the proposal in the light of these comments and urged all other members interested in this topic to submit their comments. The Committee invited the Government of Indonesia to submit a revised proposal directly to its next Session.

9. Decision on Fellowship Applications under Project PD 1/93 Rev.1 (M.F.I)

A selection panel, comprising the Vice-Chairman of the Council, and the Chairmen and Vice-Chairmen of the Permanent Committees, reviewed applications received for fellowships. The Selection Panel's recommendations appear under the appropriate section of the report of the Permanent Committee on Forest Industry. In the Committee, the representative of Brazil expressed concern over the long-term cost-efficiency of the fellowship programme as currently implemented. In view of the substantial needs for training in capacity building for producer members to cope with their obligations under the ITTO's Year 2000 Objective, it was time to review the entire programme.

10. Election of Chairman and Vice-Chairman for 1996

Following usual consultations undertaken by the Producer and Consumer Groups, Dr. Achmad Sumitro (Indonesia) was elected Chairman of the Committee for 1996 and Mr. Geoffrey Pleydell (U.K.) was elected Vice-Chairman for 1996.

11. Dates and Venues of Future Sessions

The Eighteenth Session of the Permanent Committees will be held in conjunction with the Twentieth Session of the International Tropical Timber Council, scheduled for Manila, Philippines from 15 to 23 May 1996. The Nineteenth Session of the Permanent Committee will be held in conjunction with the Twenty-first Session of the ITTC scheduled for Yokohama from 13 to 20 November 1996. The Twentieth Session will be held in conjunction with the Twenty-second Session of the ITTC which will take place in Santa Cruz, Bolivia sometime in May 1997.

12. Any Other Business

(1) **1996 Market Discussions**

The Committee was informed of the suggestions made by the Informal Trade Network Group on the organization of the 1996 Market Discussions. The Committee endorsed, with a slight amendment, the proposal on the theme of the discussions. The theme, as agreed, will be "Changing Trade Flows in the Light of Sustainable Forest Management". The Committee acknowledged the useful contribution of the Informal Trade Network Group and noted their efforts to assist the Secretariat in securing speakers for the Market Discussions.

(2) **Project Ideas**

a) **Implementation of a Forestry Statistical Information System (Philippines)**

b) **Market Study for Plantation Wood Products (Philippines)**

The Committee noted the above two project ideas submitted by the Philippines. Whilst the Committee endorsed the ideas, it invited interested members to submit comments directly to the Government of the Philippines to assist in the formulation of follow-up proposals. The Committee requested the Government of the Philippines to take note of document PCM(XIV)/6 "Elements for Preparing and Assessing Project Proposals on Statistical Information Systems" in the development of any proposal from project idea "Implementation of a Forestry Statistical Information System".

c) **Bamboo Multi-Media Information System (China)**

The Committee took note of and endorsed the above project idea submitted by China. It invited interested members to submit comments directly to the Government of China to assist in the formulation of a follow-up proposal.

(3) **ITTO Statistical Coordination**

The Secretariat informed the Committee of its on-going contact with other relevant agencies in the forum of the Inter-Secretariat Working Group on Forestry Statistics.

(4) **Copyright**

The representative of Indonesia raised the issue of copyright of work carried out by ITTO. The Committee decided to refer consideration of this issue to Council as it has wide-ranging implications for the entire Organization.

13. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

- (i) That funds be allocated to implement Project PD 19/94 Rev.2 (M,I) (\$579,037)
- (ii) That funds be allocated to implement Project PD 46/94 Rev.1 (M,F,I) (\$116,050)

- (iii) That funds be allocated to implement Project PD 50/94 Rev.2 (M,I) (\$582,360)
- (iv) That funds be allocated to implement the final phases of Project PD 16/93 Rev.4 (M) (\$602,900)
- (v) That funds be allocated to implement Project PD 25/95 Rev.1 (M) (\$1,013,960)
- (vi) That funds be allocated to implement Pre-Project PPD 10/95 Rev.1 (M) (\$232,050)
- (vii) That funds be allocated to implement Pre-Project PPD 12/95 Rev.2 (M) (\$383,282)
- (viii) That funds be allocated to implement Pre-Project PPD 13/95 Rev.1 (M) (\$39,350)
- (ix) That Council take note of the recommendations arising from the discussions under item 12 "Any Other Business".

SUMMARY TABLE

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

PROJECT DOCUMENT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY		CRITERIA	ITTO BUDGET US\$	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION (*)
		Art.23 Para.2	Art.23 Para.5	Art.23 Para.6				
PD 25/95 Rev.1 (M)	a,b,c,d,e,g		a,e	a,e	\$1,013,960	26 months	Global	4
PPD 10/95 Rev.1 (M)	a,b,c,d,e,f, g,h		a,b,c,e	a,b,c,d,e	\$232,050	4 months	Asia/Pacific	4
PPD 12/95 Rev.2 (M)	a,b,d,g		e	a,b,c,d,e	\$383,282	11 months	Global	4
PPD 13/95 Rev.1 (M)	d,g,h		e	a,b,c,d,e	\$39,350	4 months	Cameroon	4

- (*)
1. Recommend to the ITTC that the proposal should not be further considered by ITTO.
 2. Recommend to the ITTC that the proposal be revised.
 3. Decide on pre-project activities including Executing Agency and estimated budget.
 4. Recommend to the ITTC to approve the (amended) proposal for implementation by the ITTO.
 5. Recommend to the ITTC that ITTO should sponsor the proposal in accordance with Article 20.
 6. Recommend to the ITTC that ITTO should approve the proposal for ITTO sponsorship without funding and refer it to other relevant financial institutions.

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Yokohama, Japan

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL
SEVENTEENTH SESSION OF THE PERMANENT COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT

Table of Contents

Report

Appendix I Technical Assessment of Project Proposals

Appendix II "Chimanes Project", Statement

1. Introduction

The Seventeenth Session of the Committee was opened, on 8 November 1995 by the Chairman of the Permanent Committee on Reforestation and Forest Management, Mr. Derk de Groot (Netherlands). The list of Participants is reproduced in Document ITTC(XVIII)/Info.2 Rev.1.

2. Adoption of Agenda and Organization of Work

At the first meeting on 8 November 1995, the Committee formally adopted the Agenda of its Seventeenth Session as contained in Document PCF(XVII)/1 Rev.1.

3. Admission of Observers

A list of observers admitted by the Committee to attend its Seventeenth Session is contained in Document ITTC(XVIII)/Info.3.

4. Annual Review and Assessment of the World Tropical Timber Situation

This item was taken up at a Joint Session of all Committees. The discussion began with a summary presentation by the ITTO Statistician of the Secretariat document: Elements for the Annual Review and Assessment of the World Tropical Timber Situation, 1995. Members were urged to intensify their efforts in providing timely, reliable and comprehensive statistics to the Organization. Efforts were being made by the Secretariat to source the necessary data and encourage responses by producing members partly through the gradual establishment of a network of national correspondents and through the organization of Statistical Training Workshops. Furthermore, the Secretariat was currently working with other relevant agencies concerned to coordinate its statistical work and thus avoid overlap. At the close of the discussions, members were invited to submit corrections and/or additions to the Secretariat by 31 December 1995 for incorporation in the final version of the Review.

5. Report on Completed Projects

The Secretariat explained that the projects listed in Document PCF(XVII)/3, Report on Completed Projects, are considered technically completed. The field activities for these projects have been concluded and the final report has been submitted to the Secretariat. However, the Secretariat explained that some administrative issues may still be pending such as the receipt, review and acceptance of the audited financial report. With this in mind, the Committee reviewed the following completed projects found in PCF(XVII)/3.

1) PD 88/90 Rev.1 (F) Sustained Selective Harvesting of Mahogany in Bolivia

The Committee noted that the Final Report of the Project had been circulated as PCF(XVII)/16. The audited financial report had also been submitted to the Secretariat. Therefore this project will be closed as soon as the review of the financial report is completed and accepted by the Secretariat.

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

The Committee noted that the Final Report of the Project had been circulated as PCF(XVII)/17. The audited financial report had also been submitted to the Secretariat. Therefore this project will be closed as soon as the review of the financial report is completed and accepted by the Secretariat.

3) PD 10/92 Rev.1 (F) Books and Data-Base on the Major and Minor Commercial Timber of South-East Asia Vol.5(1) and Vol.5(2) within the PROSEA Programme

The Committee noted that the project activities have been completed and the Completion Report and Audited Financial Report have been received by ITTO Secretariat. The Implementing Agency briefed the Committee on the outcomes achieved during the Project implementation.

The Japanese Delegation queried on the copyright of the publications produced under the Project and the revenues derived from the sale of the publications. The Implementing Agency explained that since there is no Council decision regulating copyright issues, the copyright of Volume 5(1) and 5(2) are with the PROSEA Foundation. It was also explained that revenues gained from the sale of the hard bound Edition have been used to subsidize the low-priced edition (paperback version) of the same publication.

With regard to the copyright issue, the Committee agreed to bring this to the attention of the Council.

The project is now considered completed.

6. Report on Completed Pre-Projects

The Secretariat informed the Committee that since its last session in Accra, Ghana in May 1995, two pre-projects had been completed as described in Document PCF(XVII)/4, Report on Completed Pre-Projects.

1) PP-F/04-08 Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador

The Committee took note that the final report and the audited financial report of Pre-project PP-F/04-08 had been received by the Secretariat. Therefore this pre-project will be closed as soon as the review of the financial report is completed and accepted by the Secretariat.

2) PPD 5/93 Rev.1 (F) Preparation of an Integrated Management Plan for District No.1 of the Kuna Yala Indian Region, Aimed at the Development of Agroforestry (18,000 ha), Production Forests (22,000 ha), and Watershed Protection (60,000 ha)

The Committee noted that the final report, the project proposal and the audited financial report of Pre-project PPD 5/93 Rev.1 (F) had been received by Secretariat. It further noted that the implementing agency requested to utilize the remaining unused funds amounting to US\$ 14,500 to carry out an evaluation of the potential rural participation in the implementation of the integrated management plan and organize three additional Workshops, one in each of the 3 districts of the Kuna Yala Region, to promote and discuss the implementation of the integrated management plan. The Committee accepted to grant the implementing agency the use of these remaining funds for the aforementioned purposes, subject to the receipt of a written clarification from the Government of the United States of America, the Secretariat's prior approval of a detailed workplan, terms of reference and budget and on condition that the implementing agency present progress reports and/or final report and an audited financial statement related to these additional activities. As soon as the final report and the audited financial report pertaining to the abovementioned additional activities have been submitted to the Secretariat and both financial statements have been accepted by the Secretariat, this pre-project will be closed.

7. Review of Project Work in Progress

The Committee took note of a status report (Document PCF(XVII)/5) by the Secretariat on the 67 Projects, in the field of Reforestation and Forest Management, that have been approved by the Council, and which are either: a) in the process of implementation (54), b) awaiting the signing of an Agreement (4), c) not yet fully financed (4), or d) coming under the sunset provisions since last Session (5).

A) *Projects under implementation*

- 1) PD 15/87 Rev.1 (F) The Biology of the Okoume (Aucoumea klaineana Pierre) in Gabon
- 2) PD 52/89 Rev.4 (F) Forestry Treatment by Thinning-Out in the Context of a Pilot Forest Development Scheme in the Reserve Forest of Sud-Bakundu
- 3) PD 68/89 Rev.1 (F) Management of Tapajòs National Forest for Sustainable Production of Industrial Timber
- 4) PD 77/90 (F) Establishment of A Pilot Area for Silviculture in Closed Forests in Congo
- 5) PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia - Phase I
- 6) PD 95/90 (F) Forest Management in the Alexander von Humboldt National Forest, Phase I, II, and III
- 7) PD 99/90 Rev. 1 (F) Establishment of Rio Preto National Forest
- 8) PD 103/90 Rev. 1 (F) Training and Manpower Development in Community Forestry Management
- 9) PD 104/90 Rev. 2 (F) Studies of the Management Standards of Hill Dipterocarp Forest in Sarawak from a Watershed Management Point of View
- 10) PD 105/90 Rev. 1 (F) Model Forest Management Area, Phase I
- 11) PD 106/90 Rev.1 (F) Development of the Lanjak Entimau Wildlife Sanctuary as a Totally Protected Area - Phase I
- 12) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forests
- 13) PD 120/91 Rev.4 (F,I) Development of Operational Model for Sustainable Management of Natural Tropical Forests

- 14) PD 128/91 Rev.1 (F) Management, Conservation and Development of Mangrove Forests in Panama
- 15) PD 130/91 Rev.2 (F) Plantation Establishment Methods (First Phase)
- 16) PD 131/91 Rev.2 (F) Pilot Project for the Sustained Management of the So'olala Forest
- 17) PD 162/91 Rev.1 (F) Intensification of Growth and Yield Studies in Previously Logged Forests
- 18) PD 171/91 Rev.2 (F) Conservation and Management for Multiple Use and development of Colombian Mangrove Swamps - Phase I
- 19) PD 172/91 Rev.2 (F) The Recovery of Natural Systems of the Hillsides of Caqueta - Phase I
- 20) PD 176/91 Rev.1 (F) Sustained Management for Production, Conservation, Demonstration, Diffusion and promotion Activities In Moist Tropical Forests in Ecuador's Northwest
- 21) PD 185/91 Rev.2 (F) Sustainable Forest Management and Development in Peninsular Malaysia - Phase I
- 22) PD 186/91 Rev.2 (F) Tree Flora of Sabah and Sarawak
- 23) PD 202/91 Rev.1 (F) Sustainable Forest Management Through Collaborative Efforts
- 24) PD 204/91 Rev.1 (F) Identification and Study of a Plantation Project for the production of Timber (2,500 ha) in the Reserved Forest of Halo-Baloe (Plateau Region)
- 25) PD 8/92 Rev.2 (F) Study on the Growth of Native Species of Commercial Interest in Honduras
- 26) PD 9/92 Rev.1 (F) Forest Management in Islas de la Bahia, Honduras, Central America
- 27) PD 11/92 Rev.1 (F) Development and Dissemination of Re-afforestation Techniques of Mangrove Forests
- 28) PD 14/92 Rev.2 (F) A Demonstration Program of Sustainable Utilization of Tropical Forests by Means of Differentiated Management in Hainan Island, China - Phase I
- 29) PD 18/92 Rev.2 (F) Determination of Forest Typology Related to Silvicultural Systems
- 30) PD 26/92 Rev.2 (F,I) Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon
- 31) PD 37/92 Rev.1 (F) Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest
- 32) PD 39/92 Rev.1 (F) Dissemination and Training on ITTO Guidelines and Criteria for the Sustainable Management of Natural Tropical Forests

- 33) PD 42/92 Rev.1 (F) Reforestation and Sustainable Management and Utilization in the Natural Cloud Forests of Jaen-San Ignacio - Phase I
- 34) PD 2/93 Rev.1 (F) Integrated Pilot Management of the Ngoua II Forest North-Phase I: The Preparation of the Management Plan
- 35) PD 5/93 Rev.1 (F) Ten-Year Production of Treated Residual Dipterocarps Forest Stands.
- 36) PD 6/93 Rev.2 (F) Manual and World Natural Mangrove Atlas for Mangrove Ecosystem Restoration
- 37) PD 11/93 Rev.1 (F) A Strategy for the Sustainable Management and Harvesting Forest Resources: Leading to the Consolidation of the Indigenous Territories in the Colombian Amazon - Phase I
- 38) PD 20/93 Rev.1 (F) Development of National Guidelines for the Sustainable Management of Natural Tropical Forests in Cameroon
- 39) PD 22/93 Rev.4 (F) Forest Management, Community Participation and Sustainable Utilization in Si-Kop Forest Area, Coastal Province, Cameroon
- 40) PD 24/93 Rev.2 (F) Forest Management of Natural Forest in Malaysia - Phase II
- 41) PD 25/93 Rev.1 (F) Evaluation of Progress Made by Ecuador Towards Achievement of ITTO Target 2000
- 42) PD 26/93 Rev.1 (F) Development of Bentuang Karimun Nature Reserve as National Park - Phase I
- 43) PD 32/93 Rev.2 (F) Rehabilitation of Logged-over Forests in Asia/Pacific Region (Sub Project III)
- 44) PD 33/93 Rev.1 (F) Conservation, Management, Harvesting and Integrated and Sustained Use of Forests in the Chimanes Region, Beni, Bolivia - Phases I
- 45) PD 35/93 Rev.4 (F) Forestry Management, Community Development and Sustained Use of Forest on the Punta Patifio Nature Reserve, Darien Region, Republic of Panama - Phase I
- 46) PD 36/93 Rev.1 (F) Securing the Implementation of Improved and/or New Established Nurseries in Egypt
- 47) PD 4/94 Rev.3 (F) East Britain Balsa Industry Strengthening Project
- 48) PD 8/94 Rev.2 (F) Evergreen Club of Ghana/ITTO Youth in Forestry Project
- 49) PD 16/94 Rev.2 (F) Reforestation for Production of Valuable Timber and Non-Timber Products
- 50) PD 18/94 Rev. 1(F) Participatory Forest Development in the Alto Mayo Region for the Sustainable Management of Moist Tropical Forest - Phase I

- 51) PD 27/94 Rev.2 (F) Women and Tropical Forest Development Program
- 52) PD 3/95 Rev.2 (F) Conservation and Provenance Plantings and Integrated Pest Management to Sustain Iroko Production in West Africa
- 53) PD 8/95 Rev.1 (F) Multiple Resources Stratification, Mapping and Inventory for the Management of the First Forest Zone in Gabon - Phase I
- 54) PD 16/95 Rev.2 (F) Forest Health Monitoring to Monitor the Sustainability of Indonesian Tropical Rain Forest

B) *Projects awaiting implementation agreement*

- 1) PD 28/94 Rev.1 (F) Continuation of the Publication of the Journal "Bosques y Desarrollo" and Information Services
- 2) PD 31/94 Rev.1 (F) Planning Practical and Cost Effective Strategies for Genetic-Resource Conservation of Commercial Tree Species in Tropical Asia and the Pacific
- 3) PD 9/95 Rev.2 (F) Reforestation Using High-Value Tropical Species in Agroforestry Systems of the Province of Tambopata
- 4) PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guideline on the Protection of Tropical Forests Against Fire

C) *Projects awaiting financing*

- 1) PD 33/92 Rev.4 (F) The Establishment of a Demonstration Area for Sustainable Use in the Wood Resources Base of the Forest Enterprise in N'Lobo
- 2) PD 2/94 Rev.2 (F) Dissemination of Silvicultural Experiences with Promising Forest Species in the Peruvian Amazon Region
- 3) PD 23/94 Rev.1 (F) Rehabilitation of Fire Affected Forests in East Kalimantan
- 4) PD 26/94 Rev.1 (F) Conservation and Sustainable Management of Mangrove Genetic Resources - Phase II: Establishment of Four Conservation Centers, Human Resources development and Preparation of Guidelines for the Sustainable Management of Tropical Tidal Forests
- 5) PD 2/95 Rev.1 (F,I) Book and Databank on the Lesser-Known Timbers of South-East Asia: Volume 5(3) within the PROSEA Programme

D) Projects coming under the sunset provisions since last Session

- 1) PD 3/93 Rev.1 (F) Management and Conservation of the Forest of Bangou - Phase I: Development of the Management Plan
- 2) PD 21/93 Rev.1 (F) Forest and Farmers: Sustainable Coexistence
- 3) PD 37/93 Rev.1 (F) Silvicultural Management in the Forests of Bajo San Juan
- 4) PD 40/93 Rev.1 (F) Improvement of Data Collecting, Processing and Application Techniques for Sustainable Forest Management

The Committee noted the reports on the progress of these projects in Document PCF(XVII)/5 and further discussed the substantive issues associated with a number of Projects in depth. Details of these discussions are as follows:

- 1) **PD 52/89 Rev.4 (F) Forestry Treatment by Thinning-Out in the Context of a Pilot Forest Development Scheme in the Reserve Forest of Sud-Bakundu**

The Committee expressed concern over the slow progress of the project which stemmed from the lack of funds, personnel and basic project documentation. The Executing Agency provided clarification on these issues, indicating that the forest management plan (which should be the main output of the first two years planning phase) was delayed by the fact that the rural development study report was not released by the consultant because of a financial dispute with his consultant firm employer. The lack of a management plan had prevented the project from achieving concrete progress in its implementation. The Executing Agency is in the process of resolving this problem through direct contact with the consultant. The Executing Agency also indicated that project funds were kept by a local bank which had experienced financial difficulties. This also caused a delay in project implementation until the Government of Cameroon took responsibility for reimbursing the funds which are now available for the project. The time frame of project activities will be revised to take into account these delays and the revised time frame will be submitted to the Project Steering Committee in December 1995 for consideration, in order to ensure a smooth implementation of the project in the future and to avoid further delay. The Committee acknowledged the clarification provided by the Executing Agency and expressed the hope that much progress would be reported during the Eighteenth Session of the Committee.

- 2) **PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia**

The Indonesian Delegation reported to the Committee that an extension without additional cost is foreseen due to the time required to finalize the post-graduate programme, a component of the Project. Since the Committee had granted an extension until November 1996, it was agreed that additional extension will be solicited at a later stage.

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

The Committee noted the progress achieved in project implementation and recommended the executing agency give a formal presentation of the project's accomplishments at the next Session of the Permanent Committee to be held in Manila in May 1996.

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

The Committee was briefed by the Implementing Agency on the submitted documents PCF(XVII)/11 and PCF(XVII)/12, which pertain to the "Interim Report" and Proposal for Extension of the Project with additional time and funds. The Committee requested an informal group composed of Malaysia, Japan and Secretariat to consult on the PCF(XVII)/12. The Informal Group met on 13 November 1995 and reviewed the additional funds and activities involved in order to finalize the project. The Informal Group reported their deliberation as contained in PCF(XVII)/12 Rev.1. The Committee accepted to grant the extension of eight months until August 1996 and recommended the Council to approve this extension and to allocate additional funds amounting to US\$ 202,064.86 as contained in the document PCF(XVII)/12 Rev.1.

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

The Executing Agency indicated that the social component of the project is being satisfactorily executed. The forest management component experienced some delay because legal procedures for forest exploitation and the selection of forest concessionaires were not in place. These procedures have now been established and a call for tender for the selection of the forest concessionaire has been released. The selection of the forest concessionaire should now trigger a steady progress in the implementation of forest management activities. With regard to the lack of funds mentioned in the progress report [document PCF(XVII)/15], the Committee noted that this problem has been resolved and the Executing Agency provided the Secretariat and the Committee with updated information on this issue.

The Committee also took note of the mid-term evaluation report of the project developed by an independent consultant which included a proposal for project extension from 1997 to 2000, with a financial implication of US\$400,000. The Committee recorded the declaration made by the Executing Agency that a full project proposal will be developed and submitted to ITTO to cover this period of project extension, as Phase II of the project.

6) PD 171/91 Rev.2 (F) Conservation and Management for Multiple Use and Development of Colombian Mangrove Swamps - Phase I

The Committee noted the progress achieved in project implementation and recommended the executing agency give a formal presentation of the project's accomplishments at the next Session of the Permanent Committee to be held in Manila in May 1996. The Committee also approved an extension of the project for a period of two and a half months until June 1996, without additional funds, to allow for the completion of project activities.

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

The Committee noted the progress achieved in project implementation to date and endorsed the request from the executing agency to utilize the remaining contingency funds to implement two additional activities, as follows: i) a socio-economic study of the project's impact on the surrounding rural communities; and ii) an analysis of production costs in the managed forests of La Mayronga; subject to the Secretariat's prior approval of a detailed workplan, terms of reference and budget for the aforementioned activities and that the results of these be reflected in the project's final report.

8) PD 186/91 Rev.2 (F) Tree Flora of Sabah and Sarawak

The Committee noted that the Volume(1) of Tree Flora of Sabah and Sarawak has been published and distributed.

9) PD 202/91 Rev.1 (F) Sustainable Forest Management through Collaborative Efforts

The Secretariat informed the Committee that the modification of the Project budget as contained in the document PCF(XVI)/13 and discussed during the XVIth Session has also been concurred by The Netherlands, as the donor country.

10) PD 14/92 Rev.2 (F) A Demonstration Program of Sustainable Utilization by Means of Differentiated Management of Tropical Forests in Hainan Island, China (Phase I)

The Chinese Delegation reported that all activities under the Phase I of the Project have been successfully implemented. The Committee noted that the Summary of the Completion Report has been submitted as PCF(XVII)/17.

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

The Committee took note of the declaration made by the Executing Agency that the project is being implemented successfully. This sentiment was confirmed by the Tropenbos Foundation which is involved in the implementation of the project. However, the Tropenbos Foundation indicated that the progress observed in the implementation of project technical activities had been possible thanks to prefinancing by the Tropenbos Foundation. It emphasized that this situation was of great concern and should not occur in a fully funded project. The Committee took note that problems related to project management were dealt with during an informal meeting that took place during the Session with the participation of representatives from the Tropenbos Foundation, the Executing Agency and the ITTO Secretariat.

12) PD 39/92 Rev.1 (F) Dissemination and Training on ITTO Guidelines and Criteria for the Sustainable Management of Natural Tropical Forests

The Committee noted that project activities had been completed and that an Executive Summary of the final report of the project had been circulated as PCF(XVII)/18. The Submitting Government also briefed the Committee on the conduct and outcome of the project during the current Session. The Committee noted that the submission of the final report and the audited financial report was pending. As soon as the final report has been submitted to the Secretariat and reported to the Committee at the Session immediately after, and the audited financial report received by the Secretariat, this project will be completed.

13) PD 6/93 Rev.2 (F) Manual and a World Natural Mangrove Atlas for Mangrove Ecosystem Restoration

The Implementing Agency requested extension in order to complete all project publication. The Committee accepted to grant an extension of six months to the project until July 1996 without additional cost, in order to allow the completion of all publications.

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

The Swiss Delegation raised a question on the participation of the ITTO Regional Consultant in monitoring and attending the Steering Committee Meeting of the Project. The Secretariat confirmed the participation of the ITTO Regional Consultant representing the ITTO Secretariat. The Swiss Delegation felt the Report of Project Work in Progress lacks details to fully reflect the recent development of the project implementation. The Delegation was in particular concerned that the development of silvicultural guidelines based on the existing data in Peninsular Malaysia had still not been initiated. The Swiss Delegation further advised that greater details of project activities in accordance with the specific objective

of the Project should be incorporated in the Report of Project Work in Progress. The Committee asked the Secretariat to take these remarks into account when preparing the next report.

15) PD 25/93 Rev.1 (F) Evaluation of Progress Made by Ecuador Towards Achievement of ITTO Target 2000

The executing agency requested the Permanent Committee to approve a budgetary re-allocation of US\$ 86,000 for the purchase of GIS software to adequately implement the project's capacity to monitor Ecuador's progress towards its achievement of the Year 2000 Objective. The executing agency contended that funds allocated to seminars had initially been overestimated and that a budgetary reduction of US\$ 86,000 in this project component would not affect at all the planned activities under it. The Committee, having noted the progress achieved in project implementation so far, approved the use of funds in the amount of US\$ 86,000, previously assigned for the organization of seminars, to acquire GIS software, as stipulated in document PCF(XVII)/29. The Committee's approval is subject to the executing agency's complying in full with the recommendations put forth in the minutes of the most recent Steering Committee meeting, held in October 1995, and particularly the following:

- To focus mainly on the conduction of seminars strictly aimed at the widest possible dissemination of the "ITTO Guidelines for the Sustainable Management of Natural Tropical Forests" and the "ITTO Criteria for the Measurement of Sustainable Tropical Forest Management", with the participation of all parties involved in the development of the forest sector at the national level, so as to jointly agree on the broadening and/or formulation of conceptual criteria with a view to developing specific guidelines and criteria for the tropical forests of Ecuador;
- To systematize the information produced by the aforementioned seminars and to document this information so as to propose specific criteria and recommendations for the sustainable development of Ecuadorian tropical forests to be incorporated into the current forest legislation through the appropriate mechanisms; and
- To consider using a Geographic Information System so as to gather the spacial information required on sustainable forest management for the evaluation of Ecuador's progress towards the achievement of Objective Year 2000.

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

The Executing Agency informed the Committee on the appointment of the WWF Indonesia to carry out the implementation of the Project. An Operational Plan has also been developed with the assistance of the WWF Indonesia. Consequently, a modified budget was submitted as an addendum to the Project Document. The Committee noted that according to the Operational Plan, the actual implementation at the Project started in September 1995. The Committee accepted and approved the addendum as contained in PCF(XVII)/15.

17) PD 32/93 Rev.2 (F) Rehabilitation of Logged-Over Forest in Asia/Pacific Region (Sub-Project III)

The Implementing Agency reported to the Committee the outcome of the workshop conducted from 25-28 September 1995 in Indonesia and additional activities required stemming from the workshop recommendation. The proposed activities involve additional funds as submitted in PCF(XVII)/15. The Committee accepted the proposals and recommendations that the Council allocate additional funds to the amount of US \$38,217 to this project.

18) PD 33/93 Rev.1 (F) Conservation, Management, Harvesting and Integrated and Sustained Use in the Chimanes Region, Beni, Bolivia - Phases I & II

The executing agency briefed the Committee on the progress achieved in project implementation so far and the latter took note of it. Moreover, the Danish Delegation sought clarification on some issues related to the project. Consequently, the Committee convened an open-ended informal working group to examine these matters in detail. The informal working group so convened produced a statement and presented it to the Committee. The Committee adopted the aforementioned statement and invited the Executive Director to attend to abating any remaining concerns of the Danish Government on this matter. The statement has been incorporated into this document as Annex 2.

8. Review of Pre-Project Work in Progress

Ten Pre-projects have been approved by the Committee and are under implementation, in preparatory stages or a waiting funding. The Committee took note of a status report of these Pre-projects submitted by the Secretariat in Document PCF(XVII)/6.

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

1) PPD 1/93 Rev.1 (F) Feasibility Study for the Preparation of Management Plan for the Souanke-Sembe-Kelle Area in North West, Congo

The Committee took note of the fact that a project proposal resulting from pre-project activities had been received by the Secretariat and will be appraised by the next Panel of Experts, and that the final report of the pre-project will be dispatched to the Secretariat in the near future.

2) PPD 12/93 (F) Biotechnology and Sustainable Production of Tropical Timber

The Committee discussed developments occurred since the Sixteenth Session of the Committee and noted that only one contribution was received by the Secretariat in response to the invitation made to Member Countries during the Sixteenth Session to submit additional contributions in order to amend the study report. The Committee invited the Secretariat to request the consultant to submit to the Secretariat a revised report by February 1996, consistent with the approved TOR, and that takes into account the written contributions received and comments and recommendations made by Member Countries during the Sixteenth Session of the Committee in Accra. The revised version of the study should be dispatched to Members by April 1996 for consideration during the Eighteenth Session of the Committee.

3) PPD 6/93 Rev.1 (F) The Development of Guidelines for the Protection of Tropical Forests Against Fire

The Committee noted some comments submitted by the Member Countries as contained in document PCF(XVII)/22. The Committee decided to invite more comments from the Member Countries until, February 1996, and thereafter the Secretariat is requested to incorporate the Comments into the draft of the Guidelines. The Committee will discuss the revised draft of the Guidelines in the forthcoming session of the Committee, in May 1996.

9. Consideration of Project Proposals

Twenty project proposals entered the project cycle leading up to the Seventeenth Session of the Permanent Committee of Reforestation and Forest Management. The Committee recalled its recommendation to the Council during its Eleventh Session in Yokohama in November 1992, requesting the Secretariat not to forward any revisions of proposals requiring complete reformulation until these revisions had again been technically evaluated by the Expert Panel. In this light eleven project proposals were not considered by the Committee.

Project List

Projects Assessed by the Committee

Project Number	Country	Project Title
PD 49/94 Rev.1 (F)	Venezuela	Establishment of an Ongoing Forest Monitoring Network (Permanent Growth Plots) in the Forest Reserves and Woodlots of the Guiana Region
PD 10/95 Rev.2 (F)	Gabon	Evaluation of Silvicultural Trials of Indigenous Timber Species for Developing Forest Plantations in Gabon
PD 14/95 Rev.2 (F)	Malaysia	Model Forest Management Area - Phase II
PD 28/95 Rev.1 (F)	Philippines	International Conference on Community Forestry: A Tool for Sustainable Forest Management
PD 30/95 Rev.1 (F)	Brazil	Dissemination and Training on ITTO Guidelines and Criteria - Phase II
PD 37/95 Rev.2 (F)	Panama	Management of Cativo Forests and Non-Timber Products with the Participation of Rural and Indigenous Communities, Darien, Panama
PD 39/95 Rev.1 (F)	Colombia	Institutional Strengthening for the Sustainable Management of Forest Plantations
PD 41/95 Rev.1 (F)	Ghana	Piloting Innovative Forest Management Schemes for Off-Reserve Areas in Southern Ghana
PD 43/95 Rev.1 (M,F,I)	Peru & Venezuela	First Latin American Workshop on Tropical Forests Within the Framework of the International Tropical Timber Agreement

Details of the technical evaluation of these proposals are presented in Appendix 1 of this report. The Committee's recommendations regarding approval of these proposals are presented in item 15 below.

Projects not Assessed by the Committee

Project Number	Country	Project Title
PD 3/93 Rev.3 (F)	Congo	Management and Conservation of Bangou Forest Reserve - Phase I: Preparation of Management Plan
PD 1/94 Rev.1 (F)	Thailand	Buffer Zone Management for Developing Conservation of Tropical Forest Resources
PD 15/95 Rev.1 (F)	Malaysia	Development of the Lanjak Entimau Wildlife Sanctuary (LEWS) as a Totally Protected Area (TPA) - Phase II
PD 29/95 (F)	Philippines	Pilot Utilization of TSI Removals by Communities of Community Forestry Program (CFP) Projects in the Philippines
PD 31/95 (F)	Malaysia	A Model Project for Cost Analysis to Achieve Sustainable Forest Management
PD 32/95 (F)	Egypt	The Establishment of Demonstrative Man-Made Forest for both Sustainable Use as Wood Resource and Environmental Improvement
PD 34/95 (F)	Congo	Management and Enrichment of the Forest Area in the Nyanga Valley - Phase I: Preparation of a Management Plan
PD 35/95 (F)	Congo	Integrated Pilot Management of the Pokola Forest - Phase I: Preparation of the Management Plan
PD 36/95 (F)	Congo	Creation of a Forest Seed Production Centre
PD 38/95 (F)	Panama	Strengthening of the National Forestry and Agroforestry Extension Network in Panama
PD 44/95 (F)	Honduras	Management and Conservation of Mangroves in the Gulf of Fonseca and Reforestation of the Buffer Area of the Gulf with Local Timber Species

10. Consideration on Pre-project Proposals

The Committee noted that three Pre-projects were evaluated by the Tenth Expert Panel. In addition, on the recommendation of the Expert Panel, two Project proposals were revised and submitted as Pre-project proposals.

Pre-Project List

Pre-Projects Assessed by the Committee

Project Number	Country	Project Title
PPD 8/95 Rev.2 (F)	Global	Mangrove Resource Information System of the Scope and Content of Existing Databases
PPD 17/95 Rev.1 (F)	Egypt	Development and Promotion of Afforestation Activities in Egypt
PPD 18/95 (F)	Panama	Consolidation of Sustainable Forest Management in the Panamanian Moist Tropics Through Forest Extension and Research Strengthening

Details of the technical evaluation of these proposals are presented in Appendix 1 of this report. The Committee's recommendations regarding approval of these proposals are presented in item 15 below.

Pre-Projects not Assessed by the Committee

Project Number	Country	Project Title
PPD 9/95 (F)	Philippines	Conservation Forestry: Design of a Community-Based Participatory Training Program for Natural Forest Management
PPD 14/95 Rev.1 (F)	Togo	Identification and Planning of Measures for the Sustainable Management of Teak Plantations in Togo

11. Decision on Fellowship Applications under Project PD 1/93 Rev.1 (M,F,I)

Successful applicants for ITTO fellowships under Project PD 1/93 Rev.1 (M,F,I) are presented in the Report on the Permanent Committee on Forest Industries.

12. Selection of Chairman and Vice-Chairman for 1996

The Vice-Chairman of this year, Ing. Angel Murillo Reina of Honduras, was unanimously elected as Chairman for 1996. A delegate from the USA proposed Dr. Jürgen Blaser from Switzerland as Vice-Chairman, and he was subsequently elected for 1996 with acclamation.

13. Dates and Venue of the Seventeenth Session

The Committee decided that the dates and venue of its Twentieth Session will be agreed upon by ITTC in relation to the dates and venue fixed for its Twenty-second Session.

14. Any Other Business

A) *Informal Briefings*

Informal briefings on the following PCF projects were held as follows during the Council Session.

- | | |
|----------------------------|--|
| PD 176/91 Rev.1 (F) | Sustained Management for the Production, Conservation, Demonstration, Diffusion and Promotion Activities in Moist Tropical Forests in Ecuador's Northwest
[ECUADOR] |
| PD 104/90 Rev.2 (F) | Studies of the management Standards of Hill Dipterocarp Forest in Sarawak from the Watershed Management Point of View
[MALAYSIA] |
| PD 14/92 Rev.1 (F) | A Demonstration Program of Sustainable Utilization of Tropical Forests by Means of Differentiated Management in Hainan Island, China (Phase I)
[CHINA] |
| PD 35/93 Rev.4 (F) | Forestry Management, Community Development and Sustained Use of Forests on the Punta Patiño Nature Reserve, Darien Region, Republic of Panama - Phases I & II
[PANAMA] |
| PD 105/90 Rev.1 (F) | Model Forest Management Area, Phase I
[MALAYSIA] |
| PPD 5/93 Rev.1 (F) | Preparation of a Integrated Management Plan for District No. 1 of the Kuna Yala Indian Region, Aimed at the Development of Agroforestry (18,000 Ha), Production Forests (22,000 Ha), and Watershed Protection (60,000 Ha)
[PANAMA] |

B) *Unfunded Projects*

The Committee noted with concern the number of approved projects that remained unfunded and the increasing number of unfunded projects passing through the sunset provisions of Decision to 2(X), Annex 2, Paragraph 2. The Committee therefore urged member countries to contribute funds for these unfunded approved projects. The list of such projects is included in Section C of Agenda Item number 7.

C) *Project Catalogue*

The Secretariat informed the Committee that the project catalogue of the Reforestation and Forest Management Division has been updated and is being circulated as PCF(XVII)/24.

D) *Organization of the Committee's Work*

The Committee discussed the organization of the committee's work, and it was agreed that further streamlining and efficiency was needed in order to properly report the progress and achievements of the projects in progress as well as defining the schedule of project monitoring and evaluation.

The presentation of the projects in a tabular format was mentioned. A draft of such a tabulation is being developed in the Secretariat using the Project Monitoring Information System Data Base.

An informal working group consisting of technical delegates of members will look into these matters and advise the Secretariat accordingly, including the written contributions and amendments thereto as submitted by members. Japan specifically requested that its previous written comments be replaced.

The Committee recommended the Council to request the secretariat to make a thorough scrutiny of the subject matters of the Committee's work and to seek additional written comments of the members before February 1996 and, in cooperation with the informal working group of the technical delegates of the members, to present its findings and suggestions before the XVIIIth session in Manila in May, 1996.

E) Review of the Project Cycle

In accordance with the recommendations of the Committee at its Sixteenth session in Accra, Ghana, May, 1995 the Council made a decision (Decision 8(XVIII)) to establish a project PA/18-43 "Consultancy to Explore Possible Ways of Strengthening the Project Cycle" and an amount of US\$ 99,782.- was paid in full to the special account for the implementation of the project.

The Committee advised the members as well as the individual implementing agencies to submit their suggestions and recommendations to the secretariat to be taken into account by the consultants. Previously submitted written contributions and amendments thereto will also be considered. Japan specifically requested that its previous written comments be replaced. The Committee recommended the Council to request the Executive Director to proceed immediately to engage the two consultants with a view to present a draft report on their findings and recommendations at the next Council Session in Manila, in May, 1996.

F) Categories of Decision

In the report of the 10th Expert Panel, the Panel suggests to alter the categories of Decision for recommendation to the Permanent Committees. The Committee supported the recommendations and noted that categories of decision used by the Expert Panels is at the discretion of the Expert Panel itself.

G) Project Ideas

a. Submitted by the Government of Togo

The Committee took note of document PCF(XVII)/8 which included a project idea submitted by the Government of Togo and related to the development of a master plan for the conservation and sustainable management of dense forests in Togo. The Committee considered that no meaningful discussion could be held because of the absence of the Togolese delegation.

b. Submitted by the Government of the Philippines

The Representative of the Philippines briefed the Committee on the rationale behind the project idea. The Swiss Delegation concurred the idea presented by the Philippines and encouraged them for preparing a project proposal. He felt that the proposed project should be focused on the assessment of the policy and its implementation and its practicability in the field. He also suggested that project should be jointly carried out by a relevant local research institution and the forestry administration and that the project duration should not exceed two years. The ITTO Secretariat advised the Philippines to further contact the Secretariat for necessary assistance in order to formulate that proposal in time.

c. Submitted by the Government of Ecuador

The Representative of the Ecuador briefed the Committee on the rationale behind the project idea. The ITTO Secretariat advised the Ecuador to further contact the Secretariat for necessary assistance in order to formulate that proposal in time,

15. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

1. The Committee recommended that the Council approve PD 49/94 Rev.1 (F) and allocate a total of \$ 265,498 for its implementation.
2. The Committee recommended that the Council approve PD 10/95 Rev.2 (F) and allocate \$ 221,712 for its implementation.
3. The Committee recommended that the Council approve PD 14/95 Rev.2 (F) and allocate \$ 1,998,235 for its implementation.
4. The Committee recommended that the Council approve PD 28/95 Rev.1 (F) and allocate \$ 162,271 for its implementation.
5. The Committee recommended that the Council approve PD 30/95 Rev.1 (F) and allocate \$ 1,655,295 for its implementation.
6. The Committee recommended that the Council approve PD 37/95 Rev.2 (F) and allocate \$ 1,042,667 for its implementation.
7. The Committee recommended that the Council approve PD 39/95 Rev.1 (F) and allocate \$ 694,886 for its implementation.
8. The Committee recommended that the Council approve PD 41/95 Rev.1 (F) and allocate \$ 333,380 for its implementation.
9. The Committee recommended that the Council approve PD 43/95 Rev.1 (M,F,I) and allocate \$ 61,718 for its implementation.
10. The Committee recommended that the Council approve PPD 8/95 Rev.2 (F) and allocate \$ 96,427 for its implementation.
11. The Committee recommended that the Council approve PPD 17/95 Rev.1 (F) and allocate \$ 77,015 for its implementation.
12. The Committee recommended that the Council approve PPD 18/95 (F) and allocate \$ 49,849 for its implementation.
13. The Committee recommended that the Council approve the extension of PD 104/90 Rev.2 (F) and allocate additional funds amounting to \$ 202,064.86.
14. The Committee recommended that the Council allocate additional funds amounting to \$ 38,217 for PD 32/93 Rev.2 (F).

16. Report of the Session

The Committee accepted this Report for submission to the Council.

Appendix I

TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

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

Conclusion of the Seventeenth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project PD 49/94 Rev.1 (F) and recommended the Council to allocate US\$ 265,498 for its immediate implementation.

- 2) PD 10/95 Rev.2 (F) Evaluation of Silvicultural Trials of Indigenous Timber Species for Developing Forest Plantations in Gabon

Conclusion of the Seventeenth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore the Committee recommended that the Council approve the project and allocate US\$ 221,712 for its implementation.

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

Conclusion of the Seventeenth Committee

The Committee noted that the proposal has been revised taking into account the comments made by the Expert Panel, therefore the Committee recommended that the Council approve this project and allocate US\$ 1,998,235 for its implementation.

- 4) PD 28/95 Rev.1 (F) International Conference on Community Forestry: as a Strategy for Sustainable Forest Management

Conclusion of the Seventeenth Committee

The Committee noted that the proposal has been revised taking into account the comments of the Expert Panel. The Japanese Delegation sought clarification on how the sponsored participants will be determined. The Philippines Delegation clarified that the participants will be decided in consultation with ITTO Secretariat. The Committee recommended that the Council approve this project and allocate US\$ 162,271 for its implementation.

- 5) PD 30/95 Rev.1 (F) Dissemination and Training on ITTO Guidelines and Criteria - Phase II

Conclusion of the Seventeenth Committee

The Committee noted that the project proposal has been revised in accordance with the recommendations made by the Expert Panel. Therefore, the Committee recommended that the Council approve this project and allocate US\$ 1,655,295 for its immediate implementation.

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

Conclusion of the Seventeenth Committee

The Committee recognized the importance of the project in the overall strategy for sustainable forest management in Panama. It noted that the proposal is well formulated but expressed some reservations regarding the project budget. Consequently, an informal working group revised the budget and presented a new proposal which was distributed as document PCF(XXII)/26. The Committee expressed satisfaction as regard this new budget proposal and decided to incorporate these modifications into the project document in order to constitute a new document PD 37/95 Rev.2(F). In its overall assessment, the Committee concluded that the revised proposal deserves the support of ITTO and decided to recommend the Council to approve the project and to allocate US\$ 1,042,667 for its implementation.

- 7) PD 39/95 Rev.1 (F) Institutional Strengthening for the Sustainable Management of Forest Plantations

Conclusion of the Seventeenth Committee

The Committee recognized the importance of the project in the overall strategy for sustainable management of forest plantations in Colombia. The Committee concluded that the revised proposal deserves the support of ITTO and decided to recommend the Council to approve the project and to allocate US\$ 694,886 for its implementation.

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

Conclusion of the Seventeenth Committee

The Committee noted that the revised project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore the Committee recommended that the Council approve the project and allocate US\$ 333,380 for its implementation.

- 9) PD 43/95 Rev.1 (M,F,I) First Latin American Workshop on Tropical Forests Within the Framework of the International Tropical Timber Agreement

Conclusion of the Seventeenth Committee

The Committee noted that the minor amendments recommended by the Ninth Panel of Experts have been satisfactorily addressed in the revised proposal. The Committee decided to recommend to the Council to approve the project PD 43/95 (M,F,I) and allocate US\$ 61,718 for its implementation.

- 10) PPD 8/95 Rev.2 (F) Mangrove Resource Information System: Evaluation of the Scope and Content of Existing Databases

Conclusion of the Seventeenth Committee

The Committee noted that the proposed Pre-project has been revised in accordance with the recommendation of the Expert Panel. Therefore, the Committee recommended that the Council approve this pre-project and allocate US\$ 96,427 for its implementation.

- 11) PPD 17/95 Rev.1 (F) Development and Promotion of Afforestation Activities in Egypt

Conclusion of the Seventeenth Committee

The Committee noted that the pre-project was developed in response to comments and recommendations made by the Panel of Experts when assessing project PD 32/95 (F) "The Establishment of Demonstrative Man-Made Forest for Both Sustainable Use as Wood Resource and Environmental Improvement". The Committee further considered that the pre-project is an adequate response to these comments and recommendations. Therefore, the Committee recommended the Council approve the pre-project and allocate US\$ 77,015 for its implementation.

- 12) PPD 18/95 (F) Consolidation of Sustainable Forest Management in the Panamanian Moist Tropics through Forest Extension and Research Strengthening

Conclusion of the Seventeenth Committee

The Committee noted that the pre-project proposal has addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 18/95 (F) and recommended the Council to allocate US\$ 49,849 for its immediate implementation.

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

PROJECT/ PRE-PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	BUDGET ITTO CONTRIBUTION (US\$)	DURATION (Years)	GEOGRAPHIC AL COVERAGE	RECOMMENDATION(*)	
		Art.23 Para.2	Art.23 Para.5					EP	PCF
PD 49/94 Rev.1	c, f, h	R & D	b, c, d, e	all	265,498	2	Venezuela	3	4
PD 10/95 Rev.2	c, f, h	Diagnosis R & D	a, c, d, e	all	221,712	15 months	Gabon	3	4
PD 14/95 Rev.2	c, f, h	Demonstration R & D	b, c, d	all	1,998,235	3	Malaysia	3	4
PD 28/95 Rev.1	c, f, h	Facilitation	a, b, c, d, e	all	162,271	4 days	Philippines	3	4
PD 30/95 Rev.1	c, f, h	Facilitation R & D	b, d, e	all	1,655,295	2	Brazil	3	4
PD 37/95 Rev.2	c, e, f, h	Demonstration R & D	a, b, c, d, e	all	1,042,667	4	Panama	3	4
PD 39/95 Rev.1	c, f, h	R & D Demonstration	a, b, c, d, e	all	694,886	2	Colombia	3	4
PD 41/95 Rev.1	c, f, h	Facilitation R & D	a, b, c	all	333,380	3	Ghana	3	4
PD 43/95 Rev.1 (M,F,I)	all	Facilitation	all	all	61,718	3 months	Latin America	2	4
PPD 8/95 Rev.2	b, c, f	Diagnosis	b, c	a, c, e	96,427	6 months	global	2	4
PPD 17/95 Rev.1	c, f, h	Diagnosis	a, c, d, e	a, d, e	77,015	3 months	Egypt	-	4
PPD 18/95	c, e, f, g, h	Facilitation	a, b, c, d, e	all	49,849	3 months	Panama	-	4

- 1: Recommend to the ITTO Council that the proposal should not be further considered by ITTO.
- 2: Recommend to the ITTO Council that the proposal be revised.
- 3: Decide on pre-project activities including Executing Agency and estimated budget.
- 4: Recommend to the ITTO Council to approve the (amended) proposal for implementation by ITTO.
- 5: Recommend to the ITTO Council that ITTO should sponsor the proposal in accordance with Article 20.
- 6: Recommend to the ITTO Council that ITTO should approve the proposal for ITTO sponsorship without funding and refer it to other relevant financial institutions.
- 7: Pre-project or project submitted directly to the council for decision in accordance with the expedite procedure approved by Council Decision 2(X).
- 8: Decision deferred until next Session
- 9: Referred back to the Expert Panel

TABLE B
TECHNICAL EVALUATION OF PROJECT AND PRE-PROJECT PROPOSALS
IN THE FIELD OF REFORESTATION AND FOREST MANAGEMENT
EVALUATED BY THE EXPERT PANEL BUT NOT CONSIDERED BY THE SEVENTEENTH SESSION

PROJECT/ PRE-PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	BUDGET ITTO CONTRIBUTION (US\$)	DURATION (Years)	GEOGRAPHICAL COVERAGE	RECOMMENDATION(*)	
		Art.23 Para.2	Art.23 Para.5					EP	—
PD 3/93 Rev.3	c, f, h	R & D Facilitation	b, d, e	all	603,991	18 months	Congo	4*	
PD 1/94 Rev.2	h	Demonstration	a, b, c	c, d	1,074,840	3	Thailand	4	
PD 15/95 Rev.1	c, h	R & D	b, e	b, e	1,987,686	30 months	Malaysia	4	
PD 29/95	b, c, d, c, f	R & D	a, b, c	a, b, c	1,920,000	30 months	Philippines	6	
PD 31/95	c, h	R & D	d, c	b, c	779,310	2	Malaysia	6	
PD 32/95	f	R & D Demonstration	c, d, e	a, d, e	1,809,800	3	Egypt	4*	
PD 34/95	c, f, h	R & D Facilitation	b, d, e	all	914,460	2	Congo	4	
PD 35/95	c, f, h	R & D Facilitation	b, d, e	all	719,599	18 months	Congo	4	
PD 36/95	c, f	R & D Diagnosis	c, d, e	all	754,149	3	Congo	4	
PD 38/95	c, e, f, g, h	Facilitation	a, b, c, d, e	all	1,017,381	5	Panama	4*	
PD 44/95	c, e, f, h	Demonstration	a, b, c, d, e	a, b, d, e	868,111	3	Honduras	4	
PPD 9/95	c, h	Diagnosis	d, e	e	303,391	9.5	Philippines	4	
PPD 14/95 Rev.1	c, f	Facilitation	c	a, d, e	360,100	10 months	Togo	4	

- 1: Recommend to the ITTO Council that the proposal should not be further considered by ITTO.
- 2: Recommend to the ITTO Council that the proposal be revised.
- 3: Decide on pre-project activities including Executing Agency and estimated budget.
- 4: Recommend to the ITTO Council to approve the (amended) proposal for implementation by ITTO.
- 5: Recommend to the ITTO Council that ITTO should sponsor the proposal in accordance with Article 20.
- 6: Recommend to the ITTO Council that ITTO should approve the proposal for ITTO sponsorship without funding and refer it to other relevant financial institutions.
- 7: Pre-project or project submitted directly to the council for decision in accordance with the expedite procedure approved by Council Decision 2(X).
- 8: Decision deferred until next Session
- 9: Referred back to the Expert Panel

Appendix II

INFORMAL WORKING GROUP OF THE PERMANENT COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT ON PROJECT PD 33/93 Rev.1 (F) CONSERVATION,
MANAGEMENT, HARVESTING AND INTEGRATED AND SUSTAINED USE IN THE CHIMANES REGION,
BENI, BOLIVIA - PHASES I & II

STATEMENT

On 14 November 1995, an informal discussion group met to discuss project PD 33/93 Rev.1 (F) Conservation, Management, Harvesting and Integrated and Sustained Use in the Chimanes Region, Beni, Bolivia Phases I & II.

The group convened due to concerns of the Danish delegation brought forward to the Executive Director of the International Tropical Timber Organization, regarding the development of the project in response to a report presented by a Danish mission to the greater Chimanes region, during the month of August 1995.

The executing agency briefed the group on the work achieved so far and the group took note of the following project background.

An initial project was financed by ITTO in the same area (PD 34/88 Rev.1 F,I) from 1989 to 1993 covering an area of approximately 586,302 has. of the approximately 1,500,000 has. of what is loosely considered as the Chimanes region. The project was designed to develop forest management plans for the permanent production forest. During this period, many substantial changes occurred in the land tenure in the greater Chimanes region and the area the project was directly involved with was partially affected.

In 1991, the government declared 744,220 has. of the region as Indigenous Territories to be granted to four Indigenous groups, the Mojenos, Yuracares, Movimas, and Chimanes, divided into two distinct Territories; Chiman Indigenous Territory with 392,220 has. for the Chiman people, and the Multiethnic Indigenous Territory with 352,000 has. for the Mojenos, Yuracares, Movimas, and Chimanes. Some of the granted areas had previously been under concession in the area covered by the project. These Territories were granted to Indigenous groups to be able to continue with their traditional lifestyles. The fourteenth article of the Presidential Decree that granted these territories, declares the use, commercialization of renewable natural resources, or granting of rights to third parties illegal.

Other areas within the greater Chimanes region were declared as protection areas; these are: the Beni Biological Station (Now a biosphere-reserve with 135,000 has.), the Yacuma Regional Park (130,000 has.), and the Protection Area for the Eva-Eva Watershed (225,000), the last area being entirely in the Chimanes Indigenous Territory, but does not coincide with the area covered by the project.

A second project was designed in conjunction with the Indigenous groups and international consultants, in which a pilot area of 70,000 has. of the Chimanes Indigenous Territory was included, in addition to the previous project's area. This was the result of a recommendation that emerged during a workshop that included several institutions that work at national, regional, and local level, representing all parties involved with the Bolivian forestry sector.

The Project was approved by the Council at its Sixteenth Session and funded during that same session. It aims to strengthen forest management practices in the concessioned permanent production forests introduced in the previous project which was completed in December 1993, as well as the pilot area mentioned above. The agreement was concluded in November 1994 and the first installment of funds was released in December 1994.

The Government of Bolivia financed the interim period between the completion of PD 34/88 Rev.1 (F,I) and the startup of PD 33/93 Rev.1 (F) so as to not hinder the continuity of the project, particularly the activities related to the forest management operations within the permanent production forests granted in concession to six forest industries. During this interim period, project staff continued with the aforementioned management activities and, although minimally due to lack of resources, also maintained the installed forest nurseries and carried out some reforestation activities.

Project PD 33/93 Rev.1 (F) has been divided into two phases and revolves around two specific objectives. The first is to establish a sound basis for achieving the sustainable management on 420,000 ha of permanent production forest through the implementation of management plans. The responsibility for the implementation of these plans will be transferred from the project to six existing forest industries through a phased approach in which they will be upgraded to timber management companies. The second objective is to establish a sound basis for achieving sustainable forest management through guided and assisted participatory self-management on a pilot area of 70,000 ha in the Chiman Indigenous Territories so as to guarantee improved living standards for these communities and, at the same time, serve as a replicable model for the sustainable management of the whole Chiman territory and of those belonging to other ethnic communities within the greater Chimanes Region.

After a short inception period, to date the following activities have been carried out:

- The construction of the project's headquarters and various control posts is underway. Construction and furnishing of the Chimán indigenous communities' coordination centre has been completed;
- Four 25,000 seedlings/year community forest nurseries are currently being established in the Chimán Pilot area;
- Some new plantations using seedlings produced in 1993 were established with the collaboration of the indigenous communities during the interim period, mainly on small plots in the Pilot Area cleared and later left to fallow by the Chimán, due to the migratory nature of their agriculture;
- Plantations established in the previous project were continuously tended and monitored. Site preparation of areas to be planted in the 1995/96 season are underway;
- The five forest nurseries established by the previous project in the Permanent Production Forests have been refurbished. Overgrown seedlings were eliminated, the beds disinfected and reconditioned, seeds collected and substrate prepared to increase the production of seedlings to the full capacity (20,000 seedlings/year) of these nurseries for the upcoming transplant season;
- The planning phase to carry out an exploratory forest inventory in the 70,000 ha Pilot Area within the Chimán Indigenous Territory has been completed;
- Forestry Committees have been conformed in five communities settled in the Pilot Area. Each committee organized a Forest Patrol Brigade composed of 13 locals which were then trained by project staff. These brigades are currently patrolling the Chimán Pilot Area on a continuous basis, having to date confiscated 54 mahogany logs, felled in 1994 and some already chainsawed into planks this year, from illegal loggers. These logs will be processed by the Chimán people themselves when their portable sawmill and carpentry shop become operational later this year. Other ethnic communities have already followed their lead in organizing brigades to patrol indigenous territories outside the project's area of influence within the Chimanes Region;
- Several workshops have been carried out in various Chimán communities, particularly those where nurseries are being established or those that will participate in forest inventory activities;
- A socio-economic survey of the communities within the Chimán Pilot Area was completed;
- The forest management consultant completed his field work and is currently preparing his report;
- Monitoring and control of the harvesting operations in the different management units in the Permanent Production Forest is continuous and ongoing. Data is collected at the stump, at roadside and at the mills' logyards;
- In coordination with the forest industries legally operating in the Permanent Production Forest area, the project has: i) defined the cut blocks for the current logging season; ii) selected the cut blocks for the next logging season where 100% forest inventories are in the process of being completed; and iii) established the logged sites where residual stand inventories (post-harvest) are to be carried out in the near future; and
- Updated 1:20,000 aerial photographs covering 70% of the project area have been received so far from the Military Geographic Institute and delivery of the remainder is expected in the near future. Preliminary photointerpretation activities have also been initiated.

The most recent Steering Committee meeting, held in August 1995 was attended by representatives from the indigenous communities, national and local government authorities, NGO's, and forest industry. At Bolivia's initiative, representatives from donor countries also attended the SCM. The SCM took note of the project's achievements so far and gave recommendations to further enhance the implementation of the project, as follows:

1. In view of the pilot nature of the project, to give more emphasis to research activities and to the dissemination of results, giving particular attention to the development of methodologies and practices that will facilitate the extension of project outputs to other areas;
2. To submit to the ITTO a breakdown of the expenditures incurred during the first semester of project implementation and the proposed budget for the second semester of project activities, as well as the fields of expertise, remuneration, terms of reference and recruitment schedule for the consultants included in the budget of the Project Document, in relation to the project's schedule of activities, as a pre-condition for the second disbursement of funds to the implementing agency.

Similarly, all other expenditure breakdowns and budgets for subsequent semesters must also be submitted in order to ensure future disbursements;

3. To recruit an expert, under the Consultants component, to carry out a market and production costs study (at the local, national and international levels) of industrial and craft products made from commercial and potentially commercial timber and non-timber species obtained from the forests in the project area;
4. To adapt the terms of reference of the forestry consultant so as to strengthen and give priority to research activities of a wider range of silvicultural treatments for the reforestation of logged-over forests;
5. To ensure that the silvicultural treatments to be applied in the project area fall within the framework of the ITTO Guidelines for the Sustainable Management of Natural and Planted Tropical Forests;
6. To develop the design and capacity of the community and family nurseries to be established in the Pilot Area of the Chimanes Indigenous Territory according to the local needs, using local materials wherever possible;
7. To consider using a Geographic Information System to compile spatial data for the establishment of the data base required for the preparation and updating of the management plans envisaged in the project. To authorize the use of surplus funds from the purchase of aerial photographs under the Subcontracts component, for the acquisition of the required equipment;
8. To use some of the funds under the Travel and Training Courses components to coordinate and carry out an exchange of experiences with other national and Latin American forest projects, in order to promote better regional integration within the forest sector;

Specifically, to participate in the meetings of the National Forestry Committee established by the National Secretariat for Natural Resources of the Ministry for Sustainable Development and Environment, and to visit other similar ITTO projects and those of other Cooperating Agencies, in Bolivia and the rest of South America, particularly those being implemented by the ITTO in Peru (Alto Mayo and Alexander Von Humbolt) and in Brazil (Tapajos);

9. To promote the exchange of experiences in agroforestry and community forest management between the inhabitants of the Chimanes Indigenous Territory situated in the project area and other communities;
10. To facilitate coordination between the various parties involved in the project, such as the Chimanes Indigenous Communities, the timber companies and the personnel of the project, in order to discuss relevant aspects of project implementation;
11. To recommend that through a coordinated process and with the mutual agreement of the parties concerned, the permanent boundaries between the Bolivia Mahogany Company and the Multi-ethnic Indigenous Territory be defined;
12. To automatically adjust the Project Document to adapt to the possible changes that could arise in the Bolivian forestry legislation, in view of the current dynamic nature of this legislation, without changing the substance of the specific objectives of the project;
13. To reject any suggestion which is contrary to the civil, penal and forest legislations dealing with illegal timber extraction activities in the project area; and
14. To invite the native communities living in the areas adjacent to the project area to participate in the Training Courses that will be conducted for the inhabitants of the Pilot Area of the Project in the Chimanes Indigenous Territory, provided that this does not prejudice the quality of these courses and no unforeseen additional expenses are incurred.

The executing agency has or is currently doing its utmost to implement these. The complete SCM minutes in English and Spanish are available from the Secretariat. Overall, most of the project's activities are on schedule.

The Danish delegation considered that the aforementioned detailed factual presentation of the project's implementation to date, could be used as a useful base for a response from the Executive Director of the ITTO to the Danish government's concerns regarding this project.

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SEVENTEENTH SESSION
8 - 16 November 1995
Yokohama, Japan

**REPORT TO THE INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**SEVENTEENTH SESSION OF THE PERMANENT
COMMITTEE ON FOREST INDUSTRY**

Table of Contents

Report

Appendix I Technical Evaluation of Project Proposals

Appendix II Fellowships and Grants Approved

REPORT

1. Introduction

The Seventeenth Session was opened on 8 November 1995 by Mr. Jean Williams Sollo (Cameroon) the Chairman of the Committee. The list of Participants is reproduced in Document ITTC(XIX)/Info.2 Rev.1.

2. Adoption of Agenda and Organization of Work

At its first meeting on 8 November 1995 the Committee adopted the agenda of its Seventeenth Session as contained in Document PCI(XVII)/1.

3. Admission of Observers

The list of Observers admitted by the Committee is contained in Document ITTC(XIX)/Info.3.

4. The Annual Review and Assessment of the World Tropical Timber Situation (Joint Session of Permanent Committees)

This item was taken up at a Joint Session of all Committees. The discussion began with a summary presentation by the ITTO Statistician of the Secretariat document: Elements for the Annual Review and Assessment of the World Tropical Timber Situation, 1995. Members were urged to intensify their efforts in providing timely, reliable and comprehensive statistics to the Organization. Efforts were being made by the Secretariat to source the necessary data and encourage responses by producing members partly through the gradual establishment of a network of national correspondents and through the organization of Statistical Training Workshops. Furthermore, the Secretariat was currently working with other relevant agencies concerned to coordinate its statistical work and thus avoid overlap. At the close of the discussions, members were invited to submit corrections and/or additions to the Secretariat by 31 December 1995 for incorporation in the final version of the Review.

5. Report on Completed Pre-Projects

The Committee reviewed the reports prepared under completed pre-projects INSTITUTIONAL STRENGTHENING OF IBAMA'S FOREST PRODUCTS LABORATORY and THE INDUSTRIAL UTILIZATION AND MARKETING OF EUCALYPTUS PLANTATIONS OF THE PROVINCE OF LOJA, ECUADOR. These reports are reproduced in documents PPR 33/94 (I) and PPR 34/95 (I) respectively.

The Committee expressed its satisfaction with the work carried out under these two pre-projects and instructed the Secretariat to make the final reports available to interested parties. The Committee noted that based on the results of these pre-projects, Brazil and Ecuador are finalizing project documents proposing follow-up work. The Committee urged members to consider these proposals in light of the information and recommendations contained in the pre-project reports.

6. Report on Project Work in Progress

The Committee reviewed the work underway in twenty ITTO approved and financed projects in the field of Forest Industry. The full report on project work in progress is reproduced in document PCI(XVII)/3.

Further information on implementation progress was given by the ITTO Secretariat, member countries and implementing agencies on the following projects:

- | | |
|----------------------|--|
| PD 3.a/87 Rev.2 (I): | Enhancing Locally the Value of Lesser Known Species (Manufacture of Blockboards from Lesser Known Species in Cameroon) |
| PD 47/88 Rev. 2 (I): | Utilization of Lesser Used Species as Alternative Raw Materials for Forest-Based Industries |
| PD 60/89 (M,F,I): | Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development |
| PD 73/89 (M,F,I): | Assistance for Project Identification and Formulation |
| PD 109/90 Rev.4 (I): | Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Cote d'Ivoire |
| PD 143/91 Rev.2 (I): | Non-Wood Tropical Forest Products: Processing, Trade and Collection |
| PD 179/91 Rev.1 (I): | Industrial Utilization and Improved Marketing of Some Ghanaian Lesser-Used Species from Sustainably Managed Forests |

- PD 17/92 Rev.4 (I): Technology Transfer/Commercialization of Selected Cocowood Utilization Technologies
- PD 20/92 Rev.1 (I): The Identification, Properties and Uses of the Tropical Timber Imported to China from Africa
- PD 1/93 Rev.1 (M,F,I): ITTO Fellowship Program - Phase II
- PD 17/93 Rev.3 (M,F,I): ITTO Network for Information Sharing and Project Support
- PD 20/95 Rev.2 (I): Chemical Modification of Bamboo Culms and Their Resistance to Weathering

In its review of progress on implementation of project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation", the Committee once again recognized the importance of this project as an effective tool to assist member countries to identify and prepare appropriate project proposals for ITTO consideration. The Committee recalled that at the Thirteenth ITTC Session, the Council approved an extension to enable training workshops to be conducted on the use of the ITTO Manual for Project Formulation and the Manual for Project Monitoring, Review and Evaluation. Full funding was later pledged for this work and the ITTO Secretariat and the contractors (Intercooperation of Switzerland) have organized three workshops.

The Secretariat informed the Committee that participants response has been enthusiastic, and a fourth workshop is planned, for February 1996, at a location to facilitate participants from Anglophone ITTO member countries situated in regions of another predominant language group (i.e., Egypt, Ghana, Liberia, Guyana, and Trinidad and Tobago). Following completion of the fourth workshop, more funds will be needed to continue training of ITTO member country nationals to use the Project Manuals. Based on a proposal prepared by the Secretariat, the Committee decided to recommend to Council the allocation of supplementary funds amounting to US\$ 331,500 to allow continuation of these training activities.

The Committee reviewed in more detail the implementation of project PD 143/91 Rev.2 (I). While noting the progress in the implementation of project activities related to the data bank and socio-economic survey, the Committee stressed the need to expedite the research activities (to process and add value to selected non-products) as well as dissemination of results which can have more immediate positive impact on the socio-economic situation of the community living in the project area. The Committee requested the Secretariat to follow-up with the implementing agency (FUNATURA) and take the necessary measures to ensure that the project objectives are attained with the remaining project funds.

The Committee also considered in further detail the implementation of project PD 17/93 Rev.3 (M,F,I). Based on information contained in the progress report submitted by the Secretariat and in the mid-term evaluation report prepared by an independent consultant, the Committee recommended the ITTO Secretariat to plan in advance and in a more systematic way the project monitoring and evaluation activities effected by the regional services. The Committee requested the preparation of bi-annual monitoring/evaluation schedules covering the three Permanent Committees to optimize the use of the regional consultants and also to give sufficient planning and preparation time for donor countries wishing to participate in project Steering Committee meetings.

In its review of progress on implementation of project PD 1/93 Rev.1 (M,F,I), the Committee was informed by the ITTO Secretariat that the number of fellowship applications submitted to the organization continues to grow substantially (there were 120 applications this Session). While this strong demand testifies to the importance of the program, it also puts enormous pressure on the program administration. The Committee agreed with the Secretariat's request to introduce modifications on the format used to present applications to the Committees' Selection Panel responsible for the evaluation of fellowship applications. When a large number of fellowship applications are submitted requesting funds for a common training program or seminar/conference attendance, the new procedure introduced will allow the Secretariat to prepare a single application brief covering them all.

7. Report on Pre-Project Work in Progress

The Committee took note of the progress on the implementation of the following pre-project studies:

- PPD 50/91 (I) PROVISION OF ASSISTANCE FOR REASSESSMENT AND REFORMULATION OF ZAIRIAN PROJECT PROPOSALS PD 205/91 (I) "NATIONAL SAW MAINTENANCE CENTRE" AND PD 209/91 (I) "STUDY OF ZAIRIAN TIMBER WITH A VIEW TO PROMOTING CERTAIN SPECIES"
- PPD 5/91 (I) PRE-FEASIBILITY STUDY ON HARMONIZATION OF TROPICAL PLYWOOD STANDARDS
- PPD 2/92 Rev.1 (I) SUSTAINABLE DEVELOPMENT OF THE PLYWOOD INDUSTRY IN LATIN AMERICA

PPD 11/92 (I)	REVIEWING AND PREPARING SUPPORTING DOCUMENTS FOR WORK ON GUIDELINES FOR SUSTAINABLE DEVELOPMENT OF FOREST INDUSTRIES
PPD 9/93 Rev.2 (I)	EXPANSION OF THE PRODUCTION CAPABILITY OF SMALL-MEDIUM SCALE FURNITURE MANUFACTURERS FOR THE PURPOSE OF INCREASING MALAYSIA'S EXPORTS OF VALUE-ADDED TIMBER PRODUCTS
PPD 6/94 Rev.1 (I)	DEVELOPMENT AND EXTENSION OF RUBBERWOOD PROCESSING TECHNOLOGY
PPD 7/94 Rev.2 (I)	PRE-PROJECT FOR THE ESTABLISHMENT OF THE AIMA FOREST CORPORATION - CORFOAIMA
PPD 9/94 Rev.2 (I)	VALUE-ADDED WOOD PROCESSING OF FAST GROWING TROPICAL SPECIES

In its review of the pre-project work related to the preparation of Guidelines for the Development of Sustainable Forest Industries [PPD 11/92 (I)] the Committee considered the document PCI(XVII)/4 which reproduced comments submitted by the governments of Finland, France, Japan and the United Kingdom, and FAO. These comments were submitted following the earlier Committee decision to request members' views and comments on the draft Guidelines and on their applicability and beneficiaries.

The Committee continued its consideration of the draft Guidelines and agreed that the comments already submitted by some members and FAO confirm its earlier view on the need for further study and work on questions related to the scope of the Guidelines, their target public and audience, format, and appropriateness of specific principles and recommendations.

The Committee noted that the comments already received can be classified in two broad categories: (i) general comments related to the need for and usefulness of these Guidelines, their objectives, their importance to ITTO central functions, target groups (government, enterprises, NGOs, etc.), the presentation format, duplication of certain issues covered under other ITTO Guidelines, and (ii) comments and suggestions applying specifically to one or more of the principles and recommended actions listed under the draft Guidelines, as well as suggestions of new principles and actions. While agreeing that these comments provide useful guidance for work to restructure and improve the draft Guidelines, the Committee recognized that members should have more time to study the original document and submit their views and comments. To this effect, the Committee urged members to submit their comments to the Secretariat by 1 March 1996. The Committee will resume its consideration of the Guidelines at its Eighteenth Session in May 1996.

8. Consideration of Project Proposals

Six project proposals were submitted by member governments in time for Committee consideration and appraisal:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 5/92 REV.1 (I)	ESTABLISHMENT OF A CENTRE FOR THE PROMOTION OF LESSER KNOWN TROPICAL HARDWOOD SPECIES IN EUROPE	GOVERNMENT OF CAMEROON
PD 47/94 REV.2 (I)	INDUSTRIAL UTILIZATION OF LESSER-KNOWN FOREST SPECIES IN SUSTAINABLY MANAGED FORESTS	GOVERNMENT OF HONDURAS
PD 24/95 REV.1 (I)	THE IDENTIFICATION, PROPERTIES AND USES OF THE TROPICAL TIMBER IMPORTED TO CHINA FROM LATIN AMERICA	GOVERNMENT OF CHINA
PD 26/95 (I)	UTILIZATION AND MARKETING OF EUCALYPTUS PLANTATIONS IN THE GONZANAMA AND QUILANGA COUNTIES, PROVINCE OF LOJA, ECUADOR	GOVERNMENT OF ECUADOR
PD 33/95 REV.3 (M,F,I)	IMPACTS OF INCREASED UTILIZATION OF LESSER USED SPECIES (LUS)	GOVERNMENT OF GHANA

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 42/95 (M,I)	TECHNICAL MANPOWER DEVELOPMENT OF THE GHANA WOOD INDUSTRY AND ITTO MEMBER COUNTRIES IN THE WEST AFRICAN SUB-REGION	GOVERNMENT OF GHANA

The Committee considered in detail the results of the evaluation of these projects effected by the Panel of Experts for Technical Appraisal of Project Proposals, as contained in document PCM,PCF,PCI(XVII)/1. The Committee decided to endorse the Panel's recommendations for the complete reformulation and resubmission to the Panel of the project proposals PD 5/92 Rev.1 (I), PD 26/95 (I) and PD 42/95 (M,I).

Project proposals PD 47/94 Rev.2 (I), PD 24/95 Rev.1 (I), and PD 33/95 Rev.3 (I), which were reformulated or amended taking into account the Expert Panel recommendations, were thoroughly evaluated by the Committee. The detailed results of the Committee's evaluation and appraisal of these three project proposals are presented in Appendix I.

9. Decision on Pre-Project Work

The Committee considered two pre-project proposals: PPD 11/95 Rev.1 (I) INTERNATIONAL CONFERENCE ON VALUE-ADDED HARDWOOD PROCESSING AND UTILIZATION (GHANA) and PPD 15/95 Rev.1 (I) GHANA SEMINAR TO PREPARE AND APPROVE PROJECTS FOR NETWORKED RESEARCH INTO THE PROCESSING, UTILIZATION AND MARKETING OF SMALL DIAMETER TIMBER FROM PLANTATIONS IN AFRICA (GHANA).

The Committee noted that both these proposals were revisions prepared in accordance with recommendations made by the Expert Panel that appraised the original documents.

The Committee agreed that the international conference proposed under pre-project PPD 11/95 Rev.1 (I) is relevant to the ITTO objective of promoting further processing of tropical timber in producing countries. The Committee decided to approve for implementation a second revision of this pre-project [PPD 11/95 Rev.2 (I)], including amendments in the budget to appropriately fund the ITTO evaluation, monitoring and administrative program support costs.

The Committee also supported the organization of the seminar proposed under pre-project PPD 15/95 Rev.1 (I), designed to assist planning of research on processing, marketing and utilization of plantation timber from Africa. The Committee decided to approve for implementation a further revised proposal [PPD 15/95 Rev.2 (I)] incorporating minor amendments in the budget to appropriately cover ITTO monitoring, evaluation and administrative program support costs.

10. Decision on Fellowship Applications Under Project PD 1/93 Rev.1 (M,F,I)

The Committee authorized the establishment of a Selection Panel to evaluate fellowship applications submitted in time for the Seventeenth Session and select the successful candidates. The Selection Panel was composed of:

Mr. Michael Martin	(U.S.A.)	PCM Chairman
Dr. Achmad Sumitro	(Indonesia)	PCM Vice-Chairman
Mr. Derk de Groot	(The Netherlands)	PCF Chairman
Mr. Angel Murillo	(Honduras)	PCF Vice-Chairman
Mr. Jean Williams Sollo	(Cameroon)	PCI Chairman
Mr. Young-han Kim	(Korea)	PCI Vice-Chairman

The Selection Panel considered a total of 120 applications and recommended to the Permanent Committee that 36 applicants be approved, subject to the availability of funds at a total cost of approximately US\$ 183,800. The Panel noted the large number of applications from highly qualified persons for activities of limited relevance and lower academic content; it called for more applications from junior and middle management personnel who would be ready to apply immediately their new knowledge directly to work in the field.

11. Election of Chairman and Vice-Chairman for 1996

The Committee elected Mr. Young-han Kim (Korea) the Chairman and Mr. Bile-Allogho Joachim (Gabon) the Vice-Chairman for 1996.

12. Dates and Venue of the Twentieth Session

The Committee decided that the dates and venue of the Twentieth Committee Session will be agreed upon by ITTC in the Twentieth Council Session.

13. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations to the ITTC:

1. That the following project proposals be revised and, when appropriate, submitted to the Expert Panel before further consideration:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 5/92 REV.1 (I)	ESTABLISHMENT OF A CENTRE FOR THE PROMOTION OF LESSER KNOWN TROPICAL HARDWOOD SPECIES IN EUROPE	GOVERNMENT OF CAMEROON
PD 26/95 (I)	UTILIZATION AND MARKETING OF EUCALYPTUS PLANTATIONS IN THE GONZANAMA AND QUILANGA COUNTIES, PROVINCE OF LOJA, ECUADOR	GOVERNMENT OF ECUADOR
PD 42/95 (M,I)	TECHNICAL MANPOWER DEVELOPMENT OF THE GHANA WOOD INDUSTRY AND ITTO MEMBER COUNTRIES IN THE WEST AFRICAN SUB-REGION	GOVERNMENT OF GHANA

2. To approve for implementation the following project proposals:

PD 47/94 REV.3 (I)	INDUSTRIAL UTILIZATION OF LESSER-KNOWN FOREST SPECIES IN SUSTAINABLY MANAGED FORESTS (HONDURAS) [US\$ 735,335]
PD 24/95 REV.1 (I)	THE IDENTIFICATION, PROPERTIES AND USES OF THE TROPICAL TIMBER IMPORTED TO CHINA FROM LATIN AMERICA (CHINA) [US\$ 112,000]
PD 33/95 REV.3 (M,F,I)	IMPACTS OF INCREASED UTILIZATION OF LESSER USED SPECIES (LUS) (GHANA) [US\$ 138,205]

3. To provide funds for the approved pre-projects:

PPD 11/95 REV.2 (I)	INTERNATIONAL CONFERENCE ON VALUE-ADDED HARDWOOD PROCESSING AND UTILIZATION (GHANA) [US\$ 107,534]
PPD 15/95 REV.2 (I)	GHANA SEMINAR TO PREPARE AND APPROVE PROJECTS FOR NETWORKED RESEARCH INTO THE PROCESSING, UTILIZATION AND MARKETING OF SMALL DIAMETER TIMBER FROM PLANTATIONS IN AFRICA (GHANA) [US\$ 39,169.42]

4. To allocate supplementary funds amounting to US\$ 331,500 to allow continuation of the training on project formulation implemented under project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation".
5. To urge member countries to contribute funds to finance forest industry pre-projects and projects approved by the Committee and Council in previous Sessions and still pending funding. These are:

PD 4/93 REV.4 (I)

FURNITURE INDUSTRY DEVELOPMENT PROGRAM
(ECUADOR) [US\$ 595,231]

PD 13/95 REV.2 (I)

CAPACITY BUILDING IN TRAINING PLANNING AND MANAGEMENT
OF FOREST INDUSTRIES IN ITTO PRODUCER MEMBER
COUNTRIES
(FINLAND) [US\$ 987,890]

14. Report of the Session

The Committee adopted this report for submission to the Council.

APPENDIX I

Technical Evaluation of Project Proposals

PD 47/94 REV.2 (I) **INDUSTRIAL UTILIZATION OF LESSER-KNOWN FOREST SPECIES IN SUSTAINABLY MANAGED FORESTS (GOVERNMENT OF HONDURAS)**

The Committee reiterated its earlier views on the relevance of this project to promote management and use of tropical forest resources of Honduras. The Committee was satisfied with the project reformulation prepared following the Expert Panel's recommendations for project scaling down to research level, with activities designed to allow the study of ecological impact of LKS harvesting and limited timber processing and market research and trials needed to assess potential uses and market possibilities. The Committee also noted that the proposal had been strengthened in its market study aspects, which is important because value-added processing and acceptance of LKS ultimately depend on demand.

In response to a Committee request, the government of Honduras informed that the project will improve the ability of local farmers and cooperatives to manage and utilize government-owned forest resources on a sustainable basis. The forest resources are leased to local communities for periods ranging from 40 to 49 years.

The Committee decided to recommend to Council the approval of a further revised proposal [PD 47/94 Rev.3 (I)] with minor budget amendments to appropriately fund ITTO monitoring, evaluation and administrative program support expenditures.

PD 24/95 REV.1 (I) **THE IDENTIFICATION, PROPERTIES AND USES OF THE TROPICAL TIMBER IMPORTED TO CHINA FROM LATIN AMERICA (GOVERNMENT OF CHINA)**

The Committee endorsed the Expert Panel's view on the value of the proposed project work to promote marketing of tropical timber species and expansion of international trade. The Committee also commended the project for its regional coverage and potential to increase the knowledge of Chinese consumers on Latin American tropical timbers, following up on earlier work on Asian and African timber species.

The Committee noted that following the Expert Panel recommendation, the original proposal was improved by the inclusion of a literature review of Latin American tropical timber species and information on the current and potential timber trade between Latin America and China, as well as provisions for dissemination of the project results.

Though cautioning that shipping costs may prove a greater obstacle to increased timber trade between China and Latin America, the Committee nevertheless agreed that increasing Chinese consumers knowledge on the regions timbers is important to promote trade should favorable economic conditions develop.

PD 33/95 REV.3 (M,F,I) **IMPACTS OF INCREASED UTILIZATION OF LESSER USED SPECIES (LUS) (GOVERNMENT OF GHANA)**

The Committee agreed that the work proposed under this project is highly relevant to the ITTO mandate and pertinent to the current discussion on LUS studies, and noted that it will contribute to fill knowledge gaps in the areas of forest ecology, socio-economic impacts and long term sustainability of supply. The Committee stressed that such knowledge is important for a comprehensive assessment of the implications of harvesting a wider range of species.

The Committee was also satisfied with the amendments made following the recommendations by the Expert Panel. These amendments strengthened certain activities and adjusted the budget to appropriately fund travelling, consultancy and documentation costs.

The Committee noted that the project will disclose information of importance to all members and recommended that detailed progress reports on its implementation be made available to the Committee.

The Committee decided to recommend to Council the approval of the project proposal.

TECHNICAL EVALUATION OF PROJECTS AND PRE-PROJECTS
IN THE AREA OF FOREST INDUSTRY

PROJECT DOCUMENT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
		Art.23 Para.2	Art.23 Para.5					
PD 47/94 REV.3 (I)	b,c,e,f,g	R & D Marketing	a,b,d	a,b,c,d,e	735,335	3 years	Honduras and consumer countries	4
PD 24/95 REV.1 (I)	c,g	R & D Marketing	a,d	a,b,c,d,e	112,000	2 years	China and Latin American producing countries	4
PD 33/95 REV.3 (M,F,I)	b,c,f,g,h	Harvesting, Forest Management and Marketing	a,b,d,e	a,b,c,d,e	138,205	2 years	Global	4

PRE-PROJECT PROPOSALS	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
PPD 11/95 REV.2 (I)	107,534	1 year	Ghana	3
PPD 15/95 REV.2 (I)	39,169.42	6 months	African producers	3

1. Recommend to the ITTO Council that the proposal should not be further considered by ITTO.
2. Recommend to the ITTO Council that the proposal be revised.
3. Decide to approve the pre-project.
4. Recommend to the ITTO Council to approve the (amended) proposal for implementation by ITTO.
5. Recommend to the ITTO Council that ITTO should sponsor the proposal in accordance with Article 20.
6. Recommend to the ITTO Council that ITTO should approve the proposal for ITTO sponsorship without funding and refer it to other relevant financial institutions.
7. Pre-project or project submitted directly to the Council for decision in accordance with the expedite procedure approved by Council Decision 2(X).

APPENDIX II

LIST OF FELLOWSHIPS APPROVED
(Report of the Selection Panel)

PERMANENT COMMITTEE ON
ECONOMIC INFORMATION AND MARKET INTELLIGENCE

App. No.	Name	Nationality	Subject
13/C19/95A	Mensah, Godfrey	Ghana	Attachment to Forestry Research Institute of Malaysia, Kuala Lumpur, Malaysia
26/C19/95A	Ova Owono, Marie Noëlle	Cameroon	Research on financing Cameroonian timber export for national benefit
97/C19/95A	Rocha Vicente, Carlos Antonio	Brazil	Masters Programme in Natural Resources Management at Instituto Centroamericano de Administración de Empresas, INCAE, Costa Rica

PERMANENT COMMITTEE ON FOREST INDUSTRY

31/C19/95A	Addae-Mensah, Augustus Gyan	Ghana	Study Tour to Department of Environment and Natural Resources and Forest Products Research and Development Institute, Philippines
96/C19/95A	Adu-Fokuo, Emmanuel	Ghana	Overseas Technical Trainer's Award Programme at Centre for Rural Development and Training, University of Wolverhampton, U.K.
86/C19/95A	Bindzi, Isaac	Cameroon	Publication of technical document on timber industry in Cameroon
87/C19/95A	Franco, Nilson	Brazil	Deliver Conference Paper at the 4th International Conference on Wood Poles and Piles at Colorado State University, U.S.A.
32/C19/95A	Giron, Magdalena Y.	Philippines	Research at Dept. of Forest Products, Oregon State University, Mississippi State Forest Products Laboratory, Forest Products Laboratory, Madison, Wisconsin, and Pulp & Paper Research Institute of Canada

App. No.	Name	Nationality	Subject
52/C19/95A	Mahapatra, Ajay Kumar	India	Deliver Conference Paper at the International Conference on Domestication and Commercialization of Non-timber Products in Agroforestry Systems, Nairobi, Kenya
78/C19/95A	Nzokou, Pascal	Cameroon	Perspective study on wood processing craftsmanship (chainsaw sawmilling) in Cameroon
115/C19/95A	Caracas Montano, Miguel E.	Colombia	The Fifth Workshop on Forestry Product/International Forestry Fair/ Chilean Wood Corporation in Chile (1/6)
115/C19/95A	Céspedes Torres, Harvey	Colombia	The Fifth Workshop on Forestry Product/International Forestry Fair/ Chilean Wood Corporation in Chile (2/6)
115/C19/95A	Cháves Paz, Mario Earnest	Colombia	The Fifth Workshop on Forestry Product/International Forestry Fair/ Chilean Wood Corporation in Chile (3/6)
115/C19/95A	De La Torre, Rafael Eduardo	Colombia	The Fifth Workshop on Forestry Product/International Forestry Fair/ Chilean Wood Corporation in Chile (4/6)
115/C19/95A	Pérez Bustillo, Edgar Enrique	Colombia	The Fifth Workshop on Forestry Product/International Forestry Fair/ Chilean Wood Corporation in Chile (5/6)
115/C19/95A	Silva Duque, Francisco Tavier	Colombia	The Fifth Workshop on Forestry Product/International Forestry Fair/ Chilean Wood Corporation in Chile (6/6)

PERMANENT COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

12/C19/95A	Addai, Augustina	Ghana	Tropical Dendrology Course at Tropical Science Center, San José, Costa Rica
95/C19/95A	Ammamoo, Magdalene Maud	Ghana	A Postgraduate Course on Rural Extension for Foresters at University of Reading, U.K.

App. No.	Name	Nationality	Subject
91/C19/95A	Das, Behari Lal	India	Deliver Conference Paper at the Third International Casuarina Workshop, Da Nang, Viet Nam
53/C19/95A	Gazal, Rico Mojado	Philippines	Short Training Course in Management for Sustainable Natural Resource Development and Environmental Protection at the University of Tennessee, U.S.A.
21/C19/95A	Giri, Mahendra Kumar	Nepal	A Short Course on GIS for Resource Decisions at ANUTECH Pty. Ltd., and attachment to ANU and CSIRO, Canberra, Australia
14/C19/95A	Gouala, Patrice	Congo	Standard Course in Remote Sensing at Regional Remote Sensing Center, Ouagadougou, Burkina Faso
30/C19/95A	Kartiko, Hero Dien Pancang	Indonesia	International Short Course in Forest Genetics and Tree Improvement at North Carolina State University, Raleigh, U.S.A.
40/C19/95A	Kumar, Sanjay	India	Research at Department of Geography, Cambridge University, U.K.
36/C19/95A	Liu, Heping	China	International Short Course in Forest Genetics and Tree Improvement at North Carolina State University, Raleigh, U.S.A.
18/C19/95A	Lwin, Ohn	Myanmar	Study Tour to Forest Research Office, Royal Forest Department, Bangkok, Thailand
94/C19/95A	Mena Marmolojo, Alicia	Colombia	Tropical Dendrology Course at Tropical Science Center, San José, Costa Rica
66/C19/95A	Mendieta Duron, Miguel	Honduras	Tropical Dendrology Course at Tropical Science Center, San José, Costa Rica
81/C19/95A	Mukhtar, Erizal	Indonesia	Research at Osaka Kyoiku University, Osaka, Japan
16/C19/95A	Paralkar, Vijay Kesharao	India	A Short Course on Rural Projects: Design, Monitoring and Evaluation at ANUTECH, Canberra, Australia

App. No.	Name	Nationality	Subject
37/C19/95A	Rasaily, Narendra	Nepal	International Short Course on Sustainable Tropical Forest Management at Forest Research Institute Malaysia, Kuala Lumpur, Malaysia
65/C19/95A	Shrestha, Gopal Kumar	Nepal	International Short Course on Sustainable Tropical Forest Management at Forest Research Institute Malaysia, Kuala Lumpur, Malaysia
113/C19/95A	Soekmadi, Rinekso	Indonesia	A Training Course in Participatory Management of Protected Areas, RECOFTC, Bangkok, Thailand
114/C19/95A	Thakuri Malla, Yam Bahadur	Nepal	A Short Course on Planning for Sustainable Rural Development at the University of New England, Armidale, Australia
27/C19/95A	Vásquez Angel, Práxedes	Panama	Tropical Dendrology Course at Tropical Science Center, San José, Costa Rica
28/C19/95A	Wang, Qi	China	International Short Course on Sustainable Tropical Forest Management at Forest Research Institute Malaysia, Kuala Lumpur, Malaysia

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