



ITTO

**INTERNATIONAL TROPICAL  
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EIGHTEENTH SESSION  
10–18 May 1995  
Accra, Ghana

**DRAFT REPORT  
OF THE  
INTERNATIONAL TROPICAL TIMBER COUNCIL  
AT ITS EIGHTEENTH SESSION**

**Accra, Ghana  
10–18 May 1995**

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## REPORT

### Item I: {Opening Ceremony}

1. The Eighteenth Session was opened by the Chairman, Dr. Rubén Guevara Moncada (Honduras). Dr. Guevara noted ITTO's achievements towards promoting understanding of the issues related to the tropical timber trade. Nevertheless, ITTO was at the crossroads, he said, because inadequate credit and acknowledgment had been given for the lead role ITTO had played in promoting sustainable development. Dr. Guevara called for an improved public relations effort directed not only at outsiders but within the Organization itself. The new ITTA, 1994, was a compromise, Dr. Guevara said, but it was an improvement over the last ITTA and the glacial pace of ratification was incomprehensible. Dr. Guevara urged all Members to ratify as soon as possible.

2. The President of Ghana, His Excellency Fit. Lt. J. J. Rawlings, welcomed delegates on behalf of the Government and people of Ghana. He renewed Ghana's commitment to the purposes of ITTO and to its continued and strengthened effectiveness as a world forum for timber producers and consumers. ITTO, he said, was a unique forum because it recognized equal partnership between producing and consuming countries, and he called on other international organizations to take a cue from ITTO in this regard. The President then spoke of Ghana's commitment to sustainable development, but observed that the pressures of population growth, poverty, ignorance, greed, short-term expediency and vested interests all made the attainment of the goal of sustainability a difficult task. He called on ITTO to develop strategies and programmes to help alleviate poverty.

The President spoke of the process of ratification of the ITTA, 1994 which was currently underway. He said that the deep conviction among ITTO's member countries of the importance of effective conservation and development of tropical forests to ensure an optimum utilisation and the effective maintenance of the ecological balance and the biodiversity of affected regions must continue to underlie commitment to the Agreement. Besides, he said, the laudable achievements of the ITTA, 1983 in the development of sustainable forest management should point to the need for continuity and the early ratification of the new Agreement.

The President outlined Ghana's forest history up to the present time. Ghana established a strong foundation for forest management in the 1920s and 1930s. Forest reserves were demarcated and gazetted and sound procedures for the control of harvesting developed. The Forest Reserves were still relatively intact and the operational procedures formed the basis for forest management today. Ghana's formal forest sector currently employed well over 70,000 persons, with 14,000 of them engaged in forest products industries. Ghana's forest products ranked third among Ghana's commodity exports, contributing about 6 per cent of gross domestic product.

The President said that the rapid expansion of the timber industry as a result of Ghana's Economic Recovery programme in the early 1980s had led to increasing alarm about the future of the forests, leading to a programme - strongly supported by the UK Overseas Development Administration - to bring the situation back under control. A new forest and wildlife policy was now in the process of being implemented.

The President spoke of Ghana's view that its involvement in the ITTO forum was not a panacea for national efforts to achieve sustainable development. The year 2000 Objective, he said, was a mark of obligation and solidarity towards tropical countries. He noted the need for increased finances to help Members attain sustainable forest management and he applauded the establishment of the Bali Partnership Fund and the initial contribution made by Japan. On the issue of certification, His Excellency urged ITTO to intensify its vigilance over the application of the concept so that it was not misapplied. He then noted some of the projects that ITTO was implementing in Ghana and thanked the Organization for its assistance and support.

3. The Minister for Lands and Forests, His Excellency Dr. Kwabena Adjei, spoke of the role of forests as the basis for culture, material wealth, livelihood, reality and as the landscape of human existence. The destruction of forests denied people their patrimony. He said that ITTO was earning a reputation as an effective agency and he paid tribute to all Members (particularly the Government of Japan for the massive support it provided to sustain ITTO's existence), the ITTO Secretariat and the Executive Director. He expressed the hope that the presence of the session in Ghana would help promote the importance of forest conservation and development to the people of Ghana. He noted that there was a growing tendency for rich countries to object to such phrases as 'new and additional resources' but suggested that both producing and consuming countries should strive for global environmental equality. He said that ITTO had an emerging agenda – the alleviation of global poverty; this was a challenge to ITTO which will take it into the 21st century.

Item 2: {Ascertainment of the Quorum}

4. 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}

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

Item 4: {Report on the Membership of Council}

6. The Executive Director reported that there had been no changes to the Membership of Council since he had reported at the Seventeenth Session, so the complete Membership remained at fifty-two, composed of twenty-five producers and twenty-seven consumers.

Item 5: {Distribution of Votes}

7. The Executive Director referred Council to the annex of Document ITTC(XVI)/1, which recorded the prepared distribution of votes for 1995. Council adopted this distribution, recorded in Annex III of this document.

Item 6: {Admission of Observers}

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

Item 7: {Appointment of the Credentials Committee}

9. Council appointed a Credentials Committee consisting of Côte d'Ivoire, India, the Netherlands, Peru, Thailand, the United Kingdom, the U.S.A. and Japan.

Item 8: {Statement by the Executive Director}

10. The Executive Director, Dr. B.C.Y. Freezailah, welcomed the distinguished delegates to the Eighteenth Session of the Council and thanked the Government and people of Ghana for their hospitality. He said that the Eighteenth Session of the Council had gained tremendous lustre by the dignity of its opening session, crowned by the inspiring address delivered by His Excellency President J.J. Rawlings to inaugurate the session.

Dr. Freezailah told delegates that after consultations he had determined that delays in the ratification of the ITTA, 1994 were not due to policy reversals of existing and prospective Members. He said that Members who originally had some reservations had, upon further reflection and in a spirit of cooperation and renewed commitment, decided to ratify by the next estimated deadline of 1 September 1995. Many of the delays that might be ahead were likely to be procedural. Dr. Freezailah renewed his appeal to Members to spare time and effort to bring the new agreement into force, and he said he looked forward to welcoming prospective Members Fiji and Cambodia who were among the first to sign the new Agreement.

Dr. Freezailah spoke of the activities surrounding the U.N. Commission on Sustainable Development, some of which involved participation by the ITTO Secretariat. A report indicating such activities had been circulated to the Council. Dr. Freezailah informed delegates that ITTO was part of an Inter-Agency Forestry Focal Points Group which produced the Secretary-General's report on forests for consideration by the CSD. ITTO was also represented at an Inter-sessional Working Group meeting in February/March and the Third Session of the CSD in April. Dr. Freezailah reported that in recognition of ITTO's pioneering work in developing various criteria, indicators and guidelines for sustainable forest management, ITTO was invited by FAO to join them in seeking a convergence of the various parallel processes (Helsinki and Montreal). ITTO helped organize the meeting and, with financial assistance from Japan, sponsored experts from ITTO member countries to attend the meeting in Rome. Dr. Freezailah noted some of the recommendations that arose from the first exploratory meeting. The report from the meeting was submitted to the meeting of the CSD's ad-hoc Inter-sessional Working Group on Forests and sectoral issues in which the ITTO Secretariat participated.

One of the outcomes of the inter-sessional meeting was the proposal to establish an Open-Ended Intergovernmental Panel on Forests. This panel, under the aegis of the CSD, would work to ensure the implementation of forest-related programmes under Agenda 21 and the Forest Principles. FAO, UNEP, UNDP, World Bank and ITTO would be called upon to help provide Secretariat assistance.

Dr. Freezailah noted that ITTO had participated in the 12th Session of the FAO Committee on Forestry (COFO) and that he had personally attended a Special Meeting of Ministers responsible for forests which immediately followed the COFO meeting. In his address to the meeting, Dr. Freezailah had set out significant features of ITTO's work, its achievements and options for future action.

Dr. Freezailah then spoke of ITTO's participation in the Third Session of the CSD in April. He had addressed the High-Level Segment of this session, attended by Ministers responsible for forests, environment or economic development. In conformity with the wishes of Council, he had prepared a full report which was circulated to CSD members and other delegates. The report, titled 'ITTO: Sustainable Tropical Forest Management and the Implementation of UNCED Forestry-Related Decisions and Agreements', gave an overview of ITTO's mandate, the formulation of the Action Plan, aspects of the Organization's functioning and operational mechanism and major underlying policy and project initiatives. The report noted that the new ITTA 1994 reflected the UNCED Forest Principles and Agenda 21 and included the Year 2000 Objective, the Bali Partnership Fund and the enhanced quality of the ITTO forum. Dr. Freezailah informed delegates that the report had been distributed to them at this session.

The Third Session of the CSD, said Dr. Freezailah, agreed to establish an Open-Ended Intergovernmental Panel on Forests. The Panel's terms of reference included a review of the role of all existing international instruments related to forests, including the ITTA. ITTO has been identified as one of the agencies to provide resources to establish the Panel's Secretariat within the CSD Secretariat and Japan had already indicated its intention to provide financial support for such participation. Dr. Freezailah noted that this was the first time that ITTO's role had received such an institutional boost. He called on other donors to help give weight to ITTO's participation in the Panel and suggested that Council may wish at this session to hold speedy consultations on the implications of the Panel for ITTO, particularly related to financial assistance to allow developing member countries to participate in the Panel's work.

Dr. Freezailah then spoke of his recent mission to Bolivia, where he met the new Minister for Sustainable Development and other senior officials. He reported that the Bolivian Government was in the process of seeking full congressional enactment of a new forestry law which would create a propitious and enabling environment for the advisory role of the ITTO Mission. Dr. Freezailah noted that he was briefed on all other preparations underway to receive the Mission. He announced that pledges to fund the Mission had been made by the Governments of Japan, U.S.A. and Norway totalling US\$450,000 out of a total budget of US\$585,000 and appealed to Members for further contributions. He informed Council that steps were well underway to empanel the eight members of the Mission.

Dr. Freezailah spoke of Council's wish for the Organization to establish close links of cooperation with other relevant agencies. He reported that ITTO member states, including Japan and others, would introduce a resolution seeking observer status for ITTO with the U.N. General Assembly. He also informed delegates that he had undertaken a special mission to explore other areas where ITTO could strengthen its cooperation with agencies. He consulted with the heads of FAO, UNCTAD, CITES, ITC, the U.N. Economic Commission for Europe, WWF International, IUCN and UCBT. In his discussions, all parties agreed to focus on issues where together they could make useful contributions to the global forestry agenda. He had invited the heads of these organizations to address Council whenever possible and indicated the Secretariat's readiness to participate in their work within the limits of available resources.

Dr. Freezailah informed delegates that in response to the Council's invitation, Mr. Ger van Vliet, Plants Officer of CITES, was present and scheduled to make a presentation to the Council during the session. Dr. Freezailah said that in the recent past the issue of the conservation status of tropical timbers had generated suspicion among consumers and producers and traders and environmentalists. He said that such suspicion must be addressed squarely, beginning with cordial dialogue between the two institutions. He noted that CITES and ITTO had a common constituency. He urged delegates to treat the presentation by the CITES representative as an opportunity to forge a consensus on how to identify and safeguard the conservation status and vitality of the tropical forests.

Dr. Freezailah listed the emerging issues that constituted ITTO's cardinal orientation, namely: criteria, indicators and guidelines for sustainable tropical forest development; certification of timber and timber products; sharing of information on progress towards the Year 2000 Objective; and the overall mid-term review of progress by Members towards achieving the Year 2000 Objective. Dr. Freezailah regretted that, at the Seventeenth Session of Council, no decision was made on the terms of reference for a consultancy report to assist Council to undertake the review and he urged all sides to show political goodwill so that a consensus could be reached. Once the terms of reference were agreed, he would engage consultants to analyze Members' progress towards attaining the Year 2000 Objective on the basis of reports submitted by Members. Council could then delegate preliminary consideration of the report to a working group, as necessary.

On Decision 3(XII), the application of criteria for and measurement of sustainable management, Dr. Freezailah informed Council that only a few countries had responded to his request for them to report on their experiences in this field. He said that in a separate report he had outlined project activities in several tropical countries which were directly or indirectly relevant to Decision 3(XII). The delay in receiving reports pointed to the problems facing tropical countries in establishing the necessary demonstration areas to test the criteria and subsequently to report accordingly, and he appealed to the donor community for funds to assist such Members. He also urged producing Members to indicate when they would submit their reports and whether they needed financial assistance to help test and demonstrate the criteria.

Regarding certification, Dr. Freezailah informed Council that full funding had been secured for a study on the markets and market segments for certified timber and timber products. Two consultants would be briefed and the study should be ready for consideration at the next Council session. The other proposed certification study was still awaiting financing. Dr. Freezailah stated that he thought ITTO must be actively involved in the issue of certification because it continues to receive enquiries on ITTO's role in this field and there was an increasing number of other

organizations launching programmes in this area. He said that it was almost becoming embarrassing when in international fora he had to explain why ITTO was not yet rising to the occasion on an issue so important to all its Members. He urged Council to act before time ran out.

Dr. Freezailah appealed for more financial resources to give momentum to ITTO efforts, saying that it had become almost a moral imperative to act. He identified ITTO's future direction in international forest policy as the following:

- the work towards convergence of the initiatives on criteria and indicators;
- policy and political discussion stimulated through the various international fora, particularly the CSD;
- issues involving trade in forest products and the environment and the relations between ITTO, CITES and the World Trade Organization;
- projects to achieve sustainable forest management through promoting donor cooperation and national capacity building; and
- promoting the participation of major groups, in particular the forest communities, in forest policy making and forest development.

In closing, Dr. Freezailah called for the strengthening of the ITTO forum for policy development to enable the Organization to gain the moral stature to keep issues of sustainable forest development in the mainstream of political debate. With enough political goodwill, ITTO could provide 'international political opportunities' for leadership and proactive initiatives in order to persuade Members to institute the necessary changes in policies and in the policy environment.

Item 9: {Statement by the Representative of the CITES Secretariat}

11. Mr. Ger van Vliet from the Secretariat of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) extended the gratitude of the Secretary-General of CITES for the invitation to address the ITTC. He said that ITTO and CITES had some objectives in common and that it was the sincere wish of the CITES Secretariat that an adequate and cordial cooperation on relevant matters could be established between the two Organizations.

Mr. van Vliet then gave an explanation of the Convention to delegates. He said that the convention was agreed in Washington, D.C. in 1973 and entered into force in 1975. To date, 128 countries were signatory to the agreement, of which 50 were also Members of ITTO. He stressed that it was essential for good cooperation between CITES and ITTO, even within countries where different bodies were sometimes responsible for administering the different agreements. It would be odd, he said, if the same government was to make different decisions in the two fora due to a lack of coordination between administrative bodies within that country.

According to Mr. van Vliet, the convention included the following sentiments:

- wild flora and fauna needed protecting to safeguard not only their conservation status but also their role in trade;
- people and states were the best protectors of their own flora and fauna;
- natural resources had economic value and peoples and states were entitled to use them;
- CITES recognised the need to harvest and use forest resources, and giving monetary value to resources might help lead to the survival of such resources; and
- CITES could promote the sustainable use of wildlife in international trade.

Mr. van Vliet outlined the three CITES appendices. If a species was listed in Appendix I of the convention, international trade was prohibited except for non-commercial purposes. When a species was listed in Appendix II, commercial trade was permitted but controlled. This meant that for a species listed in Appendix II to be traded, it must be accompanied by an export or re-export certificate issued by the country from which the species was being exported or re-exported. For a species to be included in or removed from Appendix I or II, a two-thirds majority of parties was required. Mr. van Vliet made the point that Appendix II was in fact a 'sustainable utilisation'

appendix. It might be that a species included in Appendix II had a certain world-wide quota for the quantity that could be traded and in the context of CITES Appendix II it was the country of origin that must give the export permit, which was logical because it was the country of origin that must decide how much trade in the species should be permitted.

When a species was listed in Appendix III, commercial trade was permitted but controlled. Any country in which the species occurred could make a request for the species to be included in Appendix III and in that way request the other Parties to the Convention to assist it in the protection of that species. An export permit from the country listing the species, or a certificate of origin from other countries, was required.

Mr. van Vliet then outlined the conditions that must be met for species listed on the various appendices to be traded. For species listed in Appendix I, the scientific authority of the importing country must establish that the purposes of the import were not detrimental to the survival of the species and that the proposed recipient was suitably equipped to house and care for any live specimen. The management authority of the importing country had to establish that the trade was not for primarily commercial purposes. The scientific authority in the country of export must determine that the export would not be detrimental to the survival of the species, and the management authority had to determine that the specimen was legally acquired and that the preparation and shipment of any live specimen would not cause any injury to it.

For Appendix II, the conditions were the same except that the trade need not be for non-commercial purposes only. An export permit must be issued and must be accepted by the country of import. For Appendix III, the country that had placed the species in Appendix III must issue an export permit on the condition that the species could be exported in sustainable quantities. The countries that had not included the species in Appendix III had to issue a certification of origin – they did not have to decide whether the trade was permitted; they only had to indicate that the specimens were not coming from a country that had listed the species.

Measures could be introduced unilaterally by countries to place further restrictions on the import and/or export of endangered species. Mr. van Vliet cited Mexico that had banned the export of two families of wild flowers, while the U.S.A. recently had introduced strict regulations on the import of wild birds, so that even if a species was exported legally from one country it might not be able to be imported into the U.S.A..

Some countries had additional legislation to control the import and/or export of species listed on CITES appendices. The European Union, for example, had further restrictions on the import of species listed on Appendix II of the convention. It recognised three groups within the appendix: C1 species were treated as if they were on Appendix I (ie no commercial trade was permitted); C2 species must be accompanied by export and import permits and other restrictions might also apply; and C3 species must be accompanied by export and import permits. Mr. van Vliet suggested that this additional legislation may have led to the impression that Appendix I and Appendix II of the convention were the same and amounted to an import ban.

Mr. van Vliet outlined the structure of CITES. The Conference of Parties (COP) was the only body able to make decisions under the convention. Within the COP was a standing committee composed of representatives from the six regions: Asia had two representatives, Africa three, Latin America and the Caribbean two, Europe two, North America one and Oceania one. Those Governments sent their representatives and made, on behalf of the parties, decisions on the working of CITES in between the conventions. The standing committee also coordinated a working group on the transport of live specimens and the newly established Timber Working Group. The COP also had four committees: an animals committee, a plants committee, a nomenclature committee and an identification manual committee which were also made up of representatives of the regions. As was the case in the standing committee, the regional representatives were elected at the COP. A Secretariat organized the meetings of the COP, provided technical assistance to parties in the implementation of COP decisions, coordinated with other relevant international bodies, carried out fund raising for projects and provided training. The Secretariat received its instructions from the COP and provided the COP with recommendations.



Mr. van Vliet stressed that CITES was not designed to cover all trade. It was relevant when the species was in international trade and when that international trade was of a proportion where inclusion on a CITES appendix would have an effect on the conservation of the species.

On the subject of criteria for listing of species, Mr. van Vliet noted that the original criteria were adopted in 1977. These criteria were vague, making the discussion of the inclusion of timber species in CITES more difficult than necessary. At the last COP (November 1994), new criteria were adopted that Mr. van Vliet considered would make decisions easier and less contentious, including those on the inclusion of timber species. He also said that at the last COP the parties recognised that CITES might play a role in the trade of some timber species but that perhaps time should be taken to consider some of the implications of such a role. It was thus decided to create a Timber Working Group (TWG).

The TWG would have 18 members (he showed a list of the countries that had been invited to participate) and would look at issues related to CITES and the timber trade. Mr. van Vliet said that in the past, CITES had tended to pay less attention to plant issues (indicated by the fact that the first plants officer was not appointed until 1990), and that increased focus on plants already on CITES appendices had resulted in some listed plant species being removed from the list or moved to a lower appendix.

Finally, Mr. van Vliet said that there was a clear need for cooperation between the ITTO and CITES Secretariats and he hoped that with more discussion at the Council meeting, such cooperation would be forthcoming.

12. The Chairman thanked Mr. van Vliet for his presentation and invited questions from the floor.

13. The Representative of Denmark, Mr. Hans Schou, asked the Executive Director how he intended to use ITTO's mandate with regard to CITES, and how he intended to keep Members informed between sessions on progress in this field.

14. The Executive Director replied that this was an issue that the Council should discuss, including how ITTO should be represented in the TWG, the channels of communication, etc.

15. Mr. van Vliet added that he felt discussion of the TWG would come up again during this forum. He made available the terms of reference (TOR) for the TWG (these were later distributed) and said that all documents arising from the TWG would be distributed to all CITES member countries (which included all but two Members of ITTO) as they became available.

16. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, asked whether a species listed in Appendix III required certification from all range states.

17. Mr. van Vliet replied that there were three possibilities related to the definition of a species in terms of CITES. He referred to *Swietenia macrophylla* (mahogany), saying that there were two countries that had requested its inclusion in Appendix III. The Secretariat had asked them to define in which context they wish to include the species but their response had not yet been received. They might request a listing for the entire species (which would include plantation grown material from regions where the species did not naturally occur), a listing for the natural range of the species or a listing for a geographically distinct area, which would restrict listing to the states requesting the listing.

18. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, asked whether other range states should be consulted before a proposal was made for listing a species on Appendix III.

19. Mr. van Vliet replied that such consultation was not required under the convention, although this issue was included in the TOR of the TWG because it was an issue that could be of particular importance for timbers.

20. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, asked Mr. van Vliet how he envisaged cooperation between ITTO and CITES proceeding.

21. Mr. van Vliet said that he was not yet sure – cooperation required two or more parties with the same intention. He hoped that his presence at the ITTC would help open ways for cooperation.

22. The Representative of the U.S.A., Mr. Stephen Brundage, asked whether the scheduling of ITTC and CITES meetings had been addressed so that they were complementary, and whether the budget and funding for the TWG had been finalised.

23. Mr. van Vliet replied that the next COP of CITES was scheduled for 7–19 June 1997, which he believed would not clash with the ITTC. He also said that US\$25,000 of the budgeted 150,000 Swiss francs had been made available while other countries including the U.S.A. had indicated a willingness to provide assistance either in finance or in kind, and that the U.K. and Panama had offered to organize and host meetings. He hoped more funding would be forthcoming and was looking for offers.

24. The Representative of the U.S.A., Mr. Stephen Brundage, said that he had asked the question to air the problem in the Council and he hoped that the U.S.A. would be able to assist. He also said that from the presentation it was unclear as to what type of certificate of origin was required for the export of species in Appendix III from non-listed states.

25. Mr. van Vliet replied that a certificate of origin was required for Appendix III species exported from non-listed states stating that the species was not coming from the country where the species was listed on Appendix III.

26. The Representative of Malaysia, Mr. Amha Buang, noted his appreciation to the Representative of CITES for his presentation and presence at the Council. He said that he would like to see the written version of the presentation, in particular as it relates to the *modus operandi* of CITES and the new criteria agreed at the last COP. He invited Mr. van Vliet to talk to the producer group later in the Council meeting. He asked if there were any plans to review the convention.

27. Mr. van Vliet replied that a review, initiated at the last COP, was currently underway. It had been felt by some parties to the convention that the convention did not give adequate weight to sustainable utilisation and this would be addressed by the current review. The first results of the review would be presented at the next COP.

28. The Representative of Denmark, Mr. Hans Schou, remarked that the ITTC was a forum where no votes were taken and issues were decided by consensus. He found it alarming that at the last CITES COP, the vote in listing mahogany on Appendix II was taken by secret ballot. He thought this was very undemocratic.

29. Mr. van Vliet replied that any vote could be secret. A country that wanted a secret ballot needed support from at least ten other parties.

30. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, asked if the first meeting of the TWG would clash with the next session of the ITTC. She also asked if the country hosting a meeting of the TWG would pay the cost of that meeting.

31. Mr. van Vliet replied that the TWG would meet from 16–20 October, which was after the plants committee meeting in June and before the ITTC meeting. On the question of funding, Mr. van Vliet noted that the U.K. would pay for room rental and accommodation at the first meeting. Funding had not yet been secured to assist participants to travel to the meetings.

32. The Delegate of Japan, Mr. Kenji Shimizu, noted that this was a good opportunity to deepen the understanding between ITTO and CITES. He asked whether the decision-making process in the TWG would be by voting or consensus. He also asked for clarification of the relationship between the TWG and the COP, and how the TWG would be dealt with by the COP.

33. Mr. van Vliet replied that the TWG process had not been decided yet, although he noted that only the COP could make decisions. If two clear opinions emerged from the TWG, these would be presented in different documents to the COP.
34. Mr. Ambarish Chaubey, the Representative of India, inquired about the basis for selecting the members of the TWG, noting that India had requested the inclusion of some timber species and already had some timber species in the CITES appendices.
35. Mr. van Vliet replied that there was a need for adequate regional representation, particularly to include parties with tropical, temperate and boreal forests. Given this, the selection was made on the basis of trade volumes (importing and exporting), geographical distribution and trade in CITES specimens. The proposal by India to list *Taxus baccata* was because of the trade in leaf extractives, not timber, so in that context India was not considered to have species in the appendices of relevance to the timber trade.
36. The Representative of India, Mr. Ambarish Chaubey, suggested that India could have been included because of its listing of red meranti in CITES. The export of this species from India was now banned.
37. Mr. van Vliet replied that since India had banned the export of the species, it did not have a trade problem. The decision not to include India in the TWG was made by the standing committee, whose wisdom was unchallengeable.
38. The Delegate of the U.K., Mr. Geoffrey Pleydell, asked when the TOR for the TWG would be available to delegates.
39. Mr. van Vliet replied that they will be made available in English, French and Spanish to the ITTO Secretariat during the session and could then be distributed.
40. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, said that when the TWG was created, Brazil understood that membership would be open-ended. If CITES was not paying for delegates, why not make the TWG open-ended.
41. Mr. van Vliet replied that if the TWG was open-ended, those who could pay would come and those who could not, would not. In addition, by making the TWG a limited group, it would be easier to provide the results required of it by the COP. There would be two substantive opportunities for parties not represented in the TWG to have input. This was a similar process to that used by the working group on criteria and it had worked well.
42. The Delegate of Ghana, Mr. Peter Boateng, remarked that CITES could consider using ITTO for assessing the need for listing species in the appendices. He also suggested that one state putting forward species in another state was an encroachment of the rights of that state.
43. Mr. van Vliet replied that when a country made a proposal, relevant organizations dealing with the commerce and use of species should be consulted. It was the COP that made decisions and it was not possible to just ask ITTO to provide a list. He also said that the convention did not specify where a proposal originated – anyone could make a proposal if they provided the appropriate argumentation. Range states must be consulted, though.
44. The Representative of Malaysia, Mr. Amha Buang, said that there should be a comprehensive review of CITES. He also said that there was a need for greater transparency of CITES procedures. He questioned whether the definition of 'wild flora and fauna' needed to be updated. There was also an urgent need for consultation between range states and non-range states who are making proposals.
45. Mr. van Vliet agreed that consultation was required, and a CITES resolution said that this should be done one year before the COP. He also repeated that consultation between CITES and ITTO must take place between responsible agencies within each country. He also said that a comprehensive review of CITES had already started, although funding was not yet fully available.

46. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, asked whether CITES listing ever solved conservation problems. She wondered if a species could be removed from a list after a few years or would it be endangered forever?

47. Mr. van Vliet repeated that CITES had in the past de-listed species, citing the Nile crocodile as an example. He said that if the convention was used properly, it would work. He said that increased transparency of process was important so that there was a full understanding of the intention of the convention.

48. In closing the discussion, the Chairman said that cooperation between ITTO and CITES was essential and that there was also a need to coordinate within countries so that all government bodies had similar views. He reminded delegates that CITES and ITTO existed because the member states wanted them to exist. If change was required, it was up to the member states to see such change implemented.

Item 10: {Projects: a) Reports of Sixteenth Sessions of the Permanent Committees}

49. 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.

50. Mr. de Groot reported that the Permanent Committee on Reforestation and Forest Management had reviewed the full programme of projects and pre-projects presented by the Secretariat. He noted that the Committee had also discussed some general issues concerning its activities such as the reporting of project and pre-project activities, the project cycle and the organization of the Committee's work. Although no final decision was made regarding these issues, some suggestions were made to facilitate further discussion during the next session of the committee. A summary of the Committee's deliberations on these issues can be found in the Committee's report under the item 'Other Business' on pages 12-13. The Committee recommended five projects (with a total funding of US\$4,079,306) and two pre-projects (total funding US\$406,228) for approval by Council. Mr. de Groot noted that twelve projects that had been approved previously by the Committee were still awaiting finance and he urged Member countries to contribute funds for their implementation. He requested the Council to accept and adopt the report (PCF XVI/22 Rev. 1) and the recommendations found within it.

51. Mr. Sumitro informed the Council that the Session of the Permanent Committee on Economic Information and Market Intelligence had been highlighted by a lively market discussion on the role of substitution as it affected the international tropical timber trade. He noted the successful completion of five projects and progress on ten others, as well as on two pre-projects. The Committee recommended one new project and two new pre-projects to Council for approval, while two other project proposals were to be revised and reconsidered at the XVII Session of the Committee. Mr. Sumitro urged Council to consider funding for the implementation of the new projects and of two projects that had been approved previously by Council and were awaiting funding. He said the Committee had continued discussion on ITTO's statistical work. The revision of its Forecasting and Statistical Enquiry was approved for distribution to Members immediately following the session. The Committee called for the continued harmonization of ITTO's statistical work with that of related organizations and suggested that continued discussion should take place, preferably in a technical committee. Finally, Mr. Sumitro commended the report (PCM XVI/9 Rev. 1) to Council for its consideration and appropriate action.

52. Mr. Sollo congratulated all Members of the Permanent Committee on Forest Industry for their contributions to the Committee over the past 9 days. The Committee had heard reports of finished projects and pre-projects, of projects and pre-projects in progress, and of project and pre-project proposals. It had also heard the report of a Group of Experts on the guidelines for the sustainable development of forest industries. The Committee decided to present for approval of the Council all the work of the Group of Experts and urged the allocation of sufficient resources to allow the Group

of experts to continue their work. In view of the importance of the exchange of technological, economic and scientific information between the Member countries, the Committee also recommended that the Council provide sufficient funds for the various courses. Under other business, the Committee noted the invitation by the Ghanaian delegation to take part in an important seminar to be held in Kumasi to foster value-adding manufacturing in wood products, particularly in small sized timber.

Item 10: {Projects: b) Consideration of Project and Pre-Project Proposals}

53. 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(XVIII) in Annex IV of this volume.

Item 11: {Report on 1995 Annual Market Discussions}

54. Following accepted practice, this item was conducted as a Joint Committee Session. The Chairman of the Session, Mr. Sumitro (Indonesia) reported to the Council that this time the theme was "Substitution as it affects the international tropical timber trade". A number of excellent presentations were made, followed by a substantive discussion during which all participants increased their knowledge. A full report of the discussions is included as part of the report of the Permanent Committee of Economic Information and Market Intelligence (Annex V of this document).

Item 12: a: {Sustainable Management of Tropical Forests: Reports of Members on Progress towards the Year 2000 Objective - Decision 3(X)}

55. The Representative of Honduras, Ing. Angel Murillo Reina, stated that although his country had been a member of the ITTO for many years, it was only last year that it began to participate actively in the Organization. He informed delegates that the Honduras Forestry Agency had begun development and implementation of a policy to encompass land planning, forest planning and the use of hydrological resources. The new forestry administration began to establish institutional mechanisms to determine land ownership but all efforts in this regard were based on the resolution of the Ministry of Agriculture that any national forest, state-owned or private, could only be developed if the development plan had been approved and supervised, and only after environmental certification had been received. Ing. Murillo spoke of the biological corridor that linked North and South America through Central America. Honduras had established 150 protected areas and had established a biological corridor from its southern to its northern frontiers. This was part of a Central American forestry initiative to establish a corridor along the length of Central America.

Ing. Murillo informed delegates that all national forests were under management plans with annual allowable cuts based on public bidding which was nationally and internationally supervised. There was also an on-going process to help forest dwellers participate more in forest management by making forest terminology accessible to such people.

According to Ing. Murillo, Honduras had one of the biggest herbaria and botanical gardens in the world. The Forest Agency, universities and international agencies were planning to set up a germplasm bank to conserve biodiversity. The Honduran Government had determined which forests should be managed by indigenous people and by others and had established boundaries of protected areas in various categories of management. The Government had also been active in setting up municipal nurseries.

Ing. Murillo informed delegates that President Dr. Roberto Reina had authorised ratification of the ITTA, 1994, and he thanked the people and Government of Ghana for hosting this present session.

56. The Delegate of Japan, Mr. Yoshio Yamane, informed delegates that Japan would continue to promote sustainable development through the management of its own forests and by providing assistance to producer countries with a view to achieving the Year 2000 Objective. He announced that Japan would channel US\$16.1 million through the ITTO in the fiscal year 1995, and would supplement this with other financial, technical and human assistance.

Mr. Yamane told delegates of Japan's efforts to promote a sustainable trade in tropical timber based on the 'Three Principles on Tropical Timber Trade' which Japan had declared at the Tenth Council Session in May 1991: monitoring the tropical timber trade; enhancement of value added tropical forest products; and promoting rational utilization of tropical timber. The Japan Timber Import Association had also adopted a voluntary guideline for timber imports and had been working towards attaining an orderly import process based on this.

Mr. Yamane said that due to constraints in tropical roundwood supply, Japan's consumption of non-tropical timber had increased to about 900,000 cubic metres in 1993 which was 12 per cent of total consumption. Regarding plywood for concrete panel, Japan was making efforts to promote the use of compound plywood using softwood as core material and to enhance re-use of surface-coated plywood. Japan's imports of tropical roundwood dropped in 1994 to 7.44 million cubic metres, which was about 61 per cent of imports recorded in 1986. On the other hand, the import of timber products, particularly plywood, was increasing rapidly. Plywood imports had increased seven-fold between 1986 and 1994 to 4.05 million cubic metres. Japan was enhancing the value-added of tropical timber by cooperating in research and technical development in producing countries, including the promotion of increased use of lesser used species and the improvement of processing technology.

Mr. Yamane concluded that Japan would continue to support the Year 2000 Objective both by taking measures as a consumer and by extending assistance to producing countries.

57. The Delegate of Ghana, Mr. John François, noted that a policy revision on forests and wildlife been approved in November 1994 for the maintenance of environmental quality and an optimal flow of benefits to all sectors of society. The new policy had 5 prongs, with an emphasis on the use of market mechanisms. The Forestry Department would have greater accountability and there would be greater attention to performance and quality. An Environmental Protection Agency would be formed and any plantation establishment, logging etc. would require environmental assessments and statements.

Mr. François said that the implementation of sustainable management of Ghana's forests would have three stages. Stage one was the evaluation of the annual allowable cut and pilot studies of various forms of collaborative management. The second stage would be to test ideas and explore what was actually feasible in the context of the District Forest Office structure, and the third stage would be made up of viable participatory approaches across the whole sector.

Mr. François told delegates that a resource inventory sampling 1.4 million hectares of High Forest Reserves had just been completed. Data from this inventory would be used in development of a management strategy and planning processes at both the national and reserve levels. The annual allowable cut would be revised. Botanical and regenerational surveys had assessed the biodiversity of sites and identified areas of high biodiversity. As much as 21 per cent of the tropical high forest may be protected, although some of this may require rehabilitation. Fire is the single-most important threat to the tropical high forests and requires a coordinated approach across many agencies. Future work may include more emphasis on timber resources outside reserves.

58. The Representative of Australia, Mr. Bill Crawshaw, informed delegates that Australia would present its country report at the 19th Session of the Council in November. He reaffirmed Australia's commitment to sustainable forest management through its National Forest Policy Statement and the International Tropical Timber Organization. He said that following the completion of consultations with its various states and territories, Australia would move quickly to ratify the new ITTA.

59. The Representative of Gabon, Mr. Bile Allogho Joachim, told delegates of actions that Gabon had taken towards the sustainable development of its forests and forest industries. Gabon had 20 million hectares of forest representing 85 per cent of the country. It had a small population and consequently its forests were among the least degraded in Africa. Forest products were the second most important contributor to the economy and the industry employed 25 per cent of the population. Mr. Bile said that Gabon would like to concentrate its efforts towards the achievement of the Year 2000 Objective on the most accessible forests and it thanked ITTO, and particularly the Governments of Japan and the U.S.A., for their support. A number of ITTO-funded projects were being implemented in the country.

Mr. Bile informed delegates that Gabon had borrowed US\$22.5 million from the World Bank to develop its forests in a sustainable manner. This five-year project should help ensure the better utilization of the forest resources. It would also help establish 30,000 hectares of okoumé plantation.

Mr. Bile said that Gabon wished to strengthen its supervisory capacity in the forest and had established a school that trained staff to the highest levels. Progress towards the Year 2000 Objective had a legal framework within Gabon, and the export of logs was limited with the view to adding value at the first stage of processing. He noted that in collaboration with the Netherlands, Gabon had established a working group to set standards for the sustainable management of the forests. He concluded that sustainable development of Gabon's forests needed continued multilateral and bilateral assistance.

60. The Representative of Bolivia, Mr. Javier Lopez Soria, told delegates that the forests of Bolivia had only been exploited on a large scale for 20 years. He said that much of this was done irrationally. The new Government had established a Ministry for Sustainable Development and Environment with secretariats for land planning and environmental matters. Laws had been passed related to the use of renewable natural resources, including a new forest code and a new land-use code, and more laws were still to come. Mr. Lopez informed delegates about BOLFOR, a certification and forest management programme established with assistance from the Government of the U.S.A..

Mr. Lopez reminded delegates that the Council had recommended that a mission be sent to Bolivia to assist in the sustainable development of forests there, and he asked that funds be allocated to allow the mission to proceed. He concluded by saying that Bolivia has offered to host the 22nd Council Session in May, 1997.

61. The Representative of Peru, Ing. Miguel Ventura Napa, said that Peru has 76 million hectares of forest which were being lost at a rate of 250,000 hectares per year, primarily due to migratory agriculture. Peru had taken steps to counteract this; the national forest sector was focused on the sustainable use of forests in order to provide work and income to rural populations. There was a legal framework for this. The National Institute for Natural Resources (INRENA) united hydrology, forestry, wildlife and environmental sectors in sustainable management. It was promoting a policy of change in which participation was very important. A bill for the sustainable promotion and development of forest industry was currently being drafted. Mr. Ventura said that the community and private sectors should and could participate in activities towards sustainable development, and small industries could be leaders in this field. He thanked the Governments of the U.S.A. and Japan for their technical assistance and spoke about the Alexander von Humbolt project. He informed delegates that Peru would submit the new ITTA, 1994 to Congress as soon as it reconvened and ratification should be forthcoming shortly thereafter.

62. The Representative of Liberia, Mr. Benson S. Gwyan, began his presentation with a general overview of the issues pertaining to forest sustainability and followed this with an outline of the history of forest management in Liberia. He informed delegates that Liberia had a total forest area of 4.8 million hectares, of which 3.9 million was considered productive. The other 0.9 million hectares had been damaged by shifting cultivation and other forms of land use. Of the productive forest, 1.7 million hectares formed eleven National Forests, set aside for production purposes, and one protection forest, the Sapo National Park. The remaining 2.3 million hectares were ungazetted

and there were plans to put some of this under protection status. The average growing stock of merchantable size timber in the National Forests was about 21.7 cubic metres per hectare. Current logging practice selected the high value species.

Mr. Gwyan then gave details of an inventory undertaken between 1979 and 1985. The inventory indicated a standing volume of 81.38 million cubic metres in Liberia's forests. The inventory also reported an annual deforestation rate of 0.04 million hectares per year. Given this, Mr. Gwyan said that the total extractable volume now in the forest was 79 million cubic metres.

Mr. Gwyan told delegates that the forestry sector ranked third in revenue generation for the Liberian economy, contributing about five to eight per cent of the total FOB value in export commodities. It also provided employment for about 10,000 people and promoted the development of infrastructure as well as other benefits.

Mr. Gwyan said that harvesting of timber from the National Forests and ungazetted productive forest was regulated on the basis of the FDA Forest Management Plan and FDA Forest Regulations. The felling cycle was 25 years for concessions holding over 0.04 million hectares. Minimum diameters were given for all tree species exploited. The FDA had been managing Liberia's forest resources on a sustainable basis long before the concept attracted major international attention. When peace was restored, Liberia would seek the assistance of donor agencies to enhance its forest management systems. Prior to the civil war, said Mr. Gwyan, the FDA employed over 500 staff, of which over one hundred had received training at home and abroad.

Mr. Gwyan ended with a plea to the Council to seek some way by which Liberia's contribution to the Organization could be waived, due to the current financial plight of his country.

Item 12: b: {1995 Review of Progress towards the Achievement of the Year 2000 Objective - Decision 3(X)}

63. The Chairman noted that this agenda item had been discussed in various groups during the session and a consensus had been reached on the principal components of the review. This item would therefore be dealt with under Agenda Item 20.

Item 13: {Report of the Credentials Committee}

64. The Report of the Credentials Committee was presented by Mr. Masaya Segawa.

The Committee, consisting of Côte d'Ivoire, India, the Netherlands, Peru, Thailand, the United Kingdom, the U.S.A. and Japan, had met to consider the credentials and attendance of 44 countries and the European Union and recommended to Council that their credentials be approved.

The Committee, whose full report was tabled as Document ITTC(XVIII)/6, requested the Government of Egypt to submit its credentials to the Secretariat at the earliest possible opportunity.

Item 14: {Review of Contributions to the Administrative Budgets}

65. The Chairman of the Finance Committee, Mr. Don Wijewardana (New Zealand), reported that the Committee had received a report from the Secretariat on 'Split Assessment of Member Contributions to the Administrative Budget' as requested at the Seventeenth Session of the Council in Cartagena in November 1994. The report found that the international organizations that were believed to use split assessment systems, notably the International Meteorological Organization, UNESCO and the International Atomic Energy Agency, in fact did not employ such systems. The report found that the split assessment system could add to the cost of contributions by Members and create difficult administrative problems. It concluded that such a system would not help



eliminate the foreign exchange risks and that it could even magnify them. The Committee agreed that at least for the time being it would not pursue the matter any further.

Mr. Wijewardana reported that the Executive Director estimated that on the basis of past experience there was likely to be a shortfall in the Administrative Budget for the year of US\$531,000. The Committee agreed to recommend that Council approve the decision to transfer the amount of US\$530,000 from the Working Capital Account to the Administrative Account.

66. The Representative of Australia, Mr. Bill Crawshaw, informed Council that their records showed Australia's contribution for 1995 as fully paid, and the Secretariat was requested to investigate this matter.

Item 15: {Financial Resources of the Special Account  
a) Review of Pre-Project Sub-Account} &  
b) Review of Project Account}

67. Mr. Wijewardana reported that the Finance Committee recommended that Council accept the reports on the Review of the Pre-project Sub-Account and the Review of the Project Account. Council adopted these reports.

Item 15: {Financial Resources of the Special Account  
c) New Contributions to the Special Account}

68. The Representative of Norway, Mr. Olav Bakken Jensen, said that for reasons beyond the control of his delegation they were absent from yesterday's pledging session. For that reason, he wished to give some indication of the contributions made by the Kingdom of Norway. Norway intended to pledge US\$10,000 for PPD 6/95 Rev. 1 (F), US\$10,000 for PD 9/95 Rev. 2 (F), US\$10,000 for PD 16/95 Rev. 2 (F) and US\$20,015 for PD 8/94 Rev. 2 (F), and to change its pledge for PD 28/94 Rev. 2 (F) to US\$10,000 on the understanding that Japan had agreed to diminish their pledging to US\$267,804.

69. The Secretariat informed delegates that the decision to be tabled before Council later on the 1995 mid-term review of progress towards the achievement of the Year 2000 Objective requested the Executive Director to reconvene the Panel of Experts as requested in Council Decision 3(XIII) at an estimated cost of US\$280,383 before the next session of the ITTC. The task of the Panel would be to recommend an approach and methodology for estimating resources needed and costs incurred and to collate the estimates which had been submitted by Members.

70. The Delegate of Japan, Mr. Kenji Shimizu, said that Japan was ready to make funds available for the Expert Panel for estimating resources and costs involved in reaching the Year 2000 Objective. Japan was also ready to provide finance for the mid-term review report preparation called for in the decision to be taken by the Council at a later stage. He said that Japan was also ready to finance the decision that might be taken by Council at a later stage on ITTO's contribution to the CSD Intergovernmental Panel on Forests. Japan was also ready to provide some funds to implement the decision on the project cycle which would be taken at a later stage. He informed the Council that the Government of Japan had decided to make a voluntary contribution amounting to 1,582,319,000 yen, equivalent to US\$16,146,112 as its 1995 fiscal year contribution to ITTO. Of this, US\$9 million was to be allocated to the Bali Partnership Fund, bringing Japan's contribution to this fund to US\$11.5 million, including the US\$2.5 million pledged last year.

Mr. Shimizu said that Japan wished to reserve its right to decide on the use of its funds committed to the Bali Partnership Fund until the rules and procedures for the fund were finally formulated. In the meantime, Japan wished to use part of its contribution to the Bali Partnership Fund for financing the projects approved under the current Agreement.

71. The Representative of Switzerland, Mme. Laurence Wiedmer, informed the Council that her country had made a contribution of one million Swiss francs to the Special Account at the beginning of the year. The full amount had not yet been allocated and Switzerland would consider funding all good projects at the next session of the Council.

72. The Chairman thanked the Governments of Norway, Japan and Switzerland for their contributions to the activities of the Organization.

Item 16: {Auditor's Report on 1994 Accounts}

73. Mr. Wijewardana reported that the Finance Committee had examined the Auditor's Report and recommended that Council accept it. Council accordingly accepted the report of the Auditor.

Item 17: { Annual Report for 1994}

74. The Executive Director tabled the draft Annual Report for 1994 for consideration by Council. He informed delegates that the report dated 30 March 1995 and distributed as ITTCXVIII/2 was only available in English at the present time. He highlighted a number of activities in the administration of ITTO's charter and in its work in policy development. He noted that the Organization currently contained 52 Members consisting of 25 Producers and 27 Consumers and that the Council had met three times during 1994, once in Cartagena, once in Yokohama, and once in a special session in Geneva where the Council agreed to extend the ITTA, 1983 until the ITTA, 1994 came into force. In 1994, said Dr. Freezailah, US\$15.8 million of projects were financed, bringing to nearly US\$100 million the total amount of projects financed by the Organization.

Item 18: {Dates of the Twenty-first Session of the Council and the Nineteenth Sessions of the Permanent Committees}

75. Council approved the dates for the Twenty-first Session of the Council and the Nineteenth Sessions of the Permanent Committees as 13-20 November 1996 in Yokohama. the Secretariat reminded delegates that Council had already approved the dates of the Nineteenth Session of the Council, which were 8-16 November 1995 in Yokohama, and the Twentieth Session, which were 15-23 May 1996 in Manila, the Philippines.

76. The Secretariat also informed delegates that the Government of Bolivia had invited the ITTC to hold its Twenty-second Session in Bolivia, tentatively scheduled for May, 1997. The dates for this session will be determined precisely by Council at its next session.

77. The Representative of France, Mr. Daniel le Gargasson, said that he did not wish to query the dates for the Twenty-First Session in Yokohama but he wanted to bring up a matter that some delegations of the European Union had discussed during Finance Committee meetings - the duration and organization of the Council sessions. He suggested that a better organization of the labours of the ITTC would allow a reduction in the length of the session to one week (Monday - Friday), as is the case in most commodity agreements. On behalf of the member states of the European Union, he suggested that for the next session of the Council the Secretariat should study the possibility of a new timetable to increase efficiency and reduce the duration. He said that no outside consultants would be necessary to perform this task.

One idea would be to have the spring market review held separately so that those particularly interested in market matters could come for the full session while others could just attend those parts that they felt essential. Another suggestion was to reduce discussion of projects in progress to a minimum and to concentrate on those projects with problems. It might also be possible to separate the examination of projects from the rest of the session to allow everyone to focus on the

part of the Council session of most interest to them. Such an improvement in efficiency would reinforce the credibility of the Organization and allow more delegates to attend, since it was easier for most people to come away for one week rather than two.

78. The Representative of Malaysia, Mr. Amha Buang, said that this issue had not been discussed previously and, while noting that Malaysia was always open to suggestions to improve efficiency, he urged the delegation for France to raise the matter in accordance to the procedures of the Organization.

79. The Representative of Honduras, Ing. Angel Murillo Reina, said that while he respected the opinion of the Delegate of France, because a great variety of issues were discussed within the Committees, the Secretariat needed to make the necessary time available. He suggested that the Council meetings retain the same length but that it should determine as it went along how much time was needed for the work at hand.

80. The Delegate of Indonesia, Mr. Benni Sormin, expressed the view that it was not the number of days that should be reduced but that a proper programme should be prepared to fill the days. More discussion of projects was needed because it is the projects that lead to the real action in the field.

81. The Representative of India, Mr. Ambarish Chaubey, agreed with the delegate from Honduras that there was no need to decrease the duration of the meeting as everyone seemed very busy from morning to night during this session. However, as suggested by the Representative of France, the market discussion could be held at the beginning or end of the session so that people not wishing to attend could shorten their stay.

82. The Delegate of Japan, Mr. Kenji Shimizu, said that his delegation was not in a position to make observations on this matter, although a preliminary comment was that the Council must be careful to study the reduction in the length of the Council because there are many implications. Any consideration of this matter should take a broad perspective of the implications.

83. The Representative of the U.K., Mr. Symons, said he was surprised by the extent of debate this issue had provoked within the consumer group. He said that work will always expand to fill the days. Whether or not the Secretariat was formally requested to do a study by the next session, the important issue was that there was general interest in reviewing the way the Council operates. He said that the issue may be raised along more procedural lines at the next session and he hoped that the Secretariat would have at hand the sort of information that the French delegation suggested, simply as a matter of understanding the need to respond to the sorts of issues that may be raised. He added that in the longer term, any consideration of this issue should be in the context of the new Agreement.

84. The Representative of Brazil, Mrs. Maria Ercilia Borges A. Murakami, said that it was premature to expand or reduce the length of the Council meetings, and that we should wait for the new Agreement which may be more complex. She expressed the view that two sessions of the Council per year will be necessary for the new Agreement.

85. The Representative of the U.S.A., Mr. Stephen Brundage, signalled his delegation's concern for streamlining and making the Council meetings more effective and efficient. He subscribed to the view of the U.K. that the new Agreement should be taken into account in discussions on duration.

86. The Representative of Malaysia, Mr. Amha Buang, sought clarification that this was a matter of observation and no decision by the Council was necessary.

87. The Chairman said that there seemed to be a consensus that it would be premature to consider change but France or the E.U. may pursue the matter further if they wished.

88. The Representative of France, Mr. Le Gargasson, said that no decision by Council on this matter was required. He just wanted to start reflections and he observed that a debate had commenced. He said that perhaps the debate would be continued within the framework of a future session.

Item 19: {Other Business}

{ Statement by FAO Representative}

89. Mr. K. H. Schmincke, Director, Forest Products Division, FAO, transmitted the best wishes for a successful outcome of the session from the new Assistant Director-General of the FAO Forestry Department, Mr. David Harcharik. Mr. Schmincke spoke of his experience in tropical forestry and forest industry, and of his conviction that only the right balance between forest conservation and utilization based on the principles of sustainable management could achieve long-term results. Mr. Schmincke spoke of FAO's move towards increased cooperation with other agencies, and he gave some examples, including the FAO/ITTO Expert Consultation on the Harmonization of Criteria and Indicators for Sustainable Forest Management. He said discussions on criteria and indicators would continue this and next year in cooperation with ITTO and other agencies such as UNEP, with a view to demonstrating significant progress at the 1997 FAO Committee on Forestry and the immediately following 5th Session of UNCSD in New York.

Mr. Schmincke gave details of the first meeting of representatives of the private forest industry sector within the framework of FAO. The meeting had sought to improve relations with the forest industries sector, to gain from their knowledge and experience, and to discuss their involvement in the UNCED follow-up. In the Committee on Forestry meeting that followed, it was recommended that FAO establish a permanent advisory committee covering all forest industries. One activity planned was the preparation of projections of the global wood supply up to the year 2010, prepared initially from existing sources and later from the collection and analysis of additional data.

Mr. Schmincke also mentioned the outcomes of other recent meetings, including one with non-governmental organizations (NGOs), the 18th Session of COFO and the first Ministerial Meeting. In general, NGOs welcomed the willingness of FAO to encourage an open dialogue and expressed the desire to be involved in future forestry discussions and decision-making. FAO indicated the need for reliable information and to broaden its scope to cover the needs of NGOs and other groups. The industry meeting had also encouraged FAO to involve NGOs in common meetings which would decide the statutes of the new Forest Products Advisory Committee. At COFO, suggestions for streamlining and prioritisation of FAO's work programme were the most important aspects covered. The Ministerial Meeting expressed its political support for FAO's programme and recommended FAO's active participation in the Intergovernmental Panel on Forests established at the 3rd CSD session.

In closing, Mr. Schmincke offered FAO's partnership to ITTO in cooperating in all fields of common interest.

90. The Representative of Canada, Mr. William Gusen, the First Secretary of the Canadian High Commission in Accra, announced that due to budget constraints it was not possible for officials from Ottawa to attend this Council session. He said that this did not reflect any diminution in Canada's interest and participation in the work of ITTO and advised that Canada had signed the ITTA, 1994 on 3 May 1995 and would be initiating the process for early ratification.

91. The Delegate of Japan, Mr. Kenji Shimizu, announced that the Government of Japan had approved the ITTA, 1994 on 19 April 1995 and had deposited the instrument of acceptance to the United Nations' Secretary-General on 9 May 1995. This showed, he said, the Japanese Government's determination to help strengthen cooperation towards the sustainable management of tropical forests. He urged other countries to join the new Agreement before 1 September, after which a conference would be held to put the new Agreement into force. He also informed Council

that the Japanese Government had contributed US\$9.0 million to the Bali Partnership Fund, bringing Japan's total contribution to the fund so far to US\$11.5 million.

Mr. Shimizu noted that ITTO was one of the organizations that the recently established Ad Hoc Intergovernmental Panel on Forests established under the aegis of the Commission on Sustainable Development should draw upon for resources and expertise. He suggested that the Council should respond positively to the call from the CSD and that the Japanese Government would make a contribution to help ITTO participate in the Panel's work. He also said that it was regrettable that no decision was made to carry out a mid-term review of the Year 2000 Objective at the last Council session and hoped that such a decision could be made at this session. Otherwise, he said, ITTO's credibility would be questioned.

Mr. Shimizu said that project formulation and post-project assessment needed to be strengthened. The most effective way of doing this, he said, was by strengthening the ITTO Secretariat by adding professional staff engaged in the task of project formulation and assessment. He said that he would make a proposal to this effect during the course of the session.

92. Mr. Getachew Gebre-Medhin, Senior Projects Officer for the Common Fund for Commodities (CFC), thanked the Council for the opportunity to make a presentation. He reminded delegates that the ITTA, 1994 envisaged that ITTO should "take full advantage of the facilities of the Second Account of the Common Fund for Commodities". He said that a slow but sure beginning had been made in this direction. Currently, there were two projects co-financed by the CFC and other ITTO donors: PD 17/92 Rev. 4 (I) (Philippines) and PD 26/92 Rev. 2 (F,I) (Cameroon). The total commitment of the CFC to these projects was equivalent to US\$1.115 million. There were more projects in the pipeline with potential to be funded by the CFC: PD 12/93 Rev. 3 (F), PD 39/93 Rev. 2 (I) and PD 44/93 Rev. 4 (I). The total cost of these projects was about US\$2.844 million, of which the CFC contribution would constitute the major part.

Mr. Getachew said that while these developments were encouraging signs of greater cooperation between the CFC and ITTO, there were certain bottlenecks that needed to be removed for more efficient project processing. He said that the two organizations had almost identical project processing procedures, meaning that it took longer than necessary for projects to reach the financing stage. On top of the appraisal procedures and approval by ITTO, the CFC required that projects were examined thoroughly and revised to meet CFC requirements. Certain modifications in project activities were introduced to ensure that project results were shared by secondary potential beneficiaries but such changes were by no means fundamental. Extra costs incurred due to such changes were normally absorbed by the CFC itself.

Mr. Getachew said that strict adherence to ITTO procedures required that any change to documents already approved by the Council should be submitted to the Council for re-approval. This cumbersome procedure caused unnecessary delays in the processing of projects. In order to remove this constraint and to expedite the process of project approval, the CFC requested the ITTC to consider adopting a flexible attitude in this regard and to grant the Secretariat of ITTO greater latitude to accept certain changes while maintaining the integrity of the project as approved by the Council. This could be done, said Mr. Getachew, only when the proposed Project Executing Agency and the co-financiers also subscribed to the changes. Any additional costs which might be incurred as a result of such modifications could be absorbed by the CFC and/or by the co-financiers and counterpart contributors.

Mr. Getachew said that another issue of concern he wanted to raise but would leave for further consultation was the matter of payments charged for monitoring, review and evaluation as well as for project support (5.5 per cent of total project cost). ITTO acted as a supervisory body to projects financed by the CFC. Normally, this responsibility was expected to be undertaken by ITTO without charge on all the projects it sponsored for CFC funding. However, the charges noted above were made on all projects funded, charges found to be too high by CFC standards. Mr. Getachew noted that project management was paid separately and project monitoring was also done by the CFC Secretariat.

93. The President of the African Timber Organization (ATO), His Excellency Lambert Kouassi Konan, Minister of Agriculture and Animal Resources of Côte d'Ivoire, expressed his pleasure at the invitation to address the Council on behalf of the ATO, a Permanent Observer at the ITTC, and thanked the Government of Ghana for its excellent organization of the session.

The Minister stated that the ATO was a regional organization of 13 countries: Angola, Cameroon, République Centrafricaine, Congo, Côte d'Ivoire, Gabon, Ghana, Equatorial Guinea, Liberia, Nigeria, Saô Tomé et Príncipe, Tanzania and Zaïre. Its headquarters was in Libreville.

The problem of protecting tropical forests could not be dissociated from that of development. In particular, with demographic growth there was an incessant demand for arable soils; the rural environment itself needed protection; and the timber resource required renewal in a manner satisfying both quantitative and qualitative criteria. Safeguarding the forest capital of Africa was a challenge to participate in preserving the ecological equilibrium of the planet.

The ATO owed its existence to the need to address these issues at the regional level; its objectives were to harmonise wood production with conservation, and to promote the industrialization of the forest sector and improve utilisation. As a result, several activities were being undertaken at the African regional level; ATO was organizing a symposium in Paris to promote investment in African forest industries for the transfer of technology and the creation of employment. Furthermore, to improve policy coordination among ATO countries, a regional seminar under the auspices of FAO was concerned with the active role of the TFAP in the region. ATO has completed a number of studies which had given rise to project proposals requiring only financing. A review entitled 'ATO Information' was edited and distributed among member countries.

Finally, ATO was about to launch an ecolabelling study, and because of the concurrence of commercial and environmental objectives, the Minister called upon environmentalists of the North to cooperate with ATO to ensure the label was judged as honest and transparent. This was far preferable to anti-productive boycott measures.

Mr. Konan said that ITTO, like ATO, had a mandate on trade issues in relation to sustainable forest management. Without a forest so managed there could be no trade. For the good of the tropical forest, the era of permanent antagonism and mutual accusations seemed to ATO to be past. The environment had become a task of global responsibility. Therefore, in ATO's view, the better course of action was the continuing cooperative dialogue at the policy level between developed and developing countries, and among development agencies. The recent session of the UNCSD in New York clearly vindicated this opinion.

But, the Minister warned, in order to rapidly introduce the sustainable management of tropical forests stipulated in Agenda 21, it was necessary to activate as quickly as possible financial assistance and technology transfer to producing countries. At present, lack of resources forced these countries to compromise their resources and their environment. The current session, taking place in a developing country, offered a good opportunity to encourage this kind of aid.

Mr. Konan noted that ATO cooperated with certain technical assistance organizations and with governments of developed countries, thus benefiting from financial assistance, for which he wished to thank these "partners in progress". ATO was confident that the new ITTA 1994 would help to realise the Year 2000 Objective, and there was no doubt that the current sessions were part of that process. The Minister wished the Organization every success.

94. The Representative of the European Union, Mr. Enzo Barattini, read a statement on the position of the European Union with regard to the International Tropical Timber Agreement, 1994. He said that on 26 January 1994, during the closing session of the negotiating Conference in Geneva for the ITTA, 1994, the E.U. had confirmed its previously stated reservation regarding the form and content of the text of the Agreement approved by the conference. The E.U. considered it regrettable that the negotiation process had not enabled all the participants to put forward their

points of view and achieve a final global consensus. At the same session, the E.U. had indicated that it would make a detailed examination of the texts of the new Agreement, which it subsequently did.

Mr. Barattini said that the E.U. had always considered it important to maintain international cooperation within ITTO and it was in this light that the E.U. now declared that the internal procedures would be initiated with a view to lifting the reservation introduced in Geneva.

Mr. Barattini said that the E.U. considered that an unavoidable issue of the negotiation was the deep conviction that the original nature of the ITTA must be preserved in order to allow ITTO to retain its specific character in order not to dilute the efforts of the international community. The E.U. saw ITTO as a catalyst of actions specific to tropical timber. However, Article 1 of the ITTA 1994 allowed it very wide prerogatives on international trade in timber, information and on forestry management. This must not be perceived, said Mr. Barattini, as giving competence in these areas, since other international organisations, in particular FAO and E.C./U.N. (Committee on Timber), would retain their prerogatives in their respective areas of competence. Therefore, the E.U. attached particular importance to Article 14 of the new Agreement, notably Paragraph 2 which stipulated that the Organization would make use, as far as possible, of the facilities, services and expertise of existing governmental, intergovernmental and non-governmental organizations, with a view to encouraging the complementarity and effectiveness of their activities in order to avoid needless repetition. Thus, ITTO should limit the collection of data from Member countries to that information not already provided by other international organizations.

With regard to financial resources, said Mr. Barattini, the E.U. and its member states considered that the framework of the Agreement already provided instruments contributing to the sustainable management of tropical forests and, consequently, to establishing trade in tropical timber based on sustainability.

With regard to national forestry policies, the E.U. reaffirmed its commitment to sustainable management of forest resources. It was with this objective that they had entered actively into implementing the resolutions adopted during the Ministerial Conference on the Protection of Forests in Europe (Helsinki 1993) and follow-up meetings, the objective of which was to guarantee the protection and sustainable management of forests as well as the preservation of biodiversity in forests at a pan-European level. Thus the E.U. and its member states did not consider that ITTO was a suitable forum for the discussion or implementation of national policies of Members outside the specific context of tropical forests.

Mr. Barattini said that the E.U. attached greatest importance to progress in the development of international cooperation in the timber and forest sector and welcomed the decision of the Commission on Sustainable Development to establish an Intergovernmental Panel on Forests. He reiterated the E.U.'s attachment to a global convention on forests, as the ITTA, 1994 could not be regarded as a substitute.

In concluding, Mr. Barattini reaffirmed the E.U.'s wish to see increasingly close collaboration in the forestry sector between all Members, whilst stressing that transparency should represent one of the most fundamental characteristics of the ITTA, 1994. It was in this spirit that the European Commission and the member states of the European Union would ask their respective competent bodies to participate in the ITTA, 1994.

95. The Delegate of the U.S.A., Mr. Stephen Brundage, welcomed the news that the European Union and its member states would participate in the ITTA, 1994. The U.S.A. fully subscribed to the objectives of the new ITTA, 1994. The U.S.A. signed the text of the new Agreement in July 1994 and was committed to engage in ratification procedures as soon as practical. The ratification procedures would take place within the executive branch and did not require the consent of Congress.

96. The Delegate of Norway, Mr. Olav. Bakken Jensen, informed the Council that the Kingdom of Norway had already ratified the new Agreement and the ratification documents had been deposited with the relevant authorities in New York.

Item 20: {Decisions and Report of the Session}

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

Item 21: {Closure of the Session}

98. The Spokesperson for the Consumers, Mr. Ian Symons, said that this was his final intervention as Consumer Spokesperson. He said that delegates should be pleased with the session, although progress was perhaps not as much or as fast as some may have wanted. At the session, the foundations had been set for a pragmatic review of progress towards the Year 2000 Objective. The Consumer Group hoped that as many Members as possible would produce their reports in time for a productive discussion in Yokohama in November and that this would lead to some positive proposals, which he said was important for the credibility of the Organization and to rebut some unfair criticisms of the tropical timber trade. He noted the contribution of the Organization to the Intergovernmental Panel on Forests and said it was gratifying to those who had been in New York at the creation of the Panel. He said that the establishment of the Panel was a big step forward towards open and transparent discussion and it was appropriate that ITTO was to contribute to its work.

He noted the decision of the Council to contribute to the CITES Timber Working Group, commenting that this working group was of great interest to ITTO Members. He also noted that 14 projects and pre-projects had been approved and a good number had been funded, which he said was a tribute to their quality and to the work of the Expert Panel. The Council had also decided to improve procedures for co-financing of projects with the Common Fund for Commodities, and introduced a process to keep the project cycle under review which was important to maintain it at a quality commensurate to the amount of finance now flowing through the Organization.

Mr. Symons noted that yet again there had been a transfer of working capital to cover the shortfall in Members' contributions to the Organization and said that this was not a sustainable means of existence. Many countries had been in arrears to the Organization for many years and he urged Members to make their contributions on a timely basis.

Mr. Symons also said that the issue of how ITTO should deal with lesser used species was of great importance to many countries, and he thought it would be useful to review ITTO's experiences and those of other agencies to identify gaps in knowledge and information on this aspect of forest management. He said such a study should reflect the diversity of forest types, management and harvesting types, etc. and he hoped that the issue would receive further attention at the next session. On the subject of criteria and indicators, Mr. Symons hoped that there would be more discussion at the next session given more feedback from Member countries. He also looked forward to the two studies on certification issues. He brought to the attention of the Council the document ITTC XVIII/5 which reported on various forestry meetings. This document contained a version of the Rome Statement that differed from that which was actually approved by ministers.

Mr. Symons concluded by thanking the Government and people of Ghana, 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. Amha Buang, the Chairman, the Vice-Chairman of the Council and the Chairmen and Vice-Chairmen of the Permanent Committees.



99. The Spokesperson for the Producers, Mr. Amha Buang, said that the session had been substantive, constructive, progressive and fruitful. He congratulated those involved with the projects and pre-projects that were approved by the Council, and he thanked all donor countries, particularly Japan, for their contributions. He said that Japan's announcement of its contribution to the Bali Partnership Fund should spur all Members to ratify the new Agreement, and he warmly welcomed the announcement of the E.U. to that effect. He also welcomed the positive remarks of other delegations, including the U.S.A. and Norway. He said that the review of progress towards the Year 2000 Objective should be undertaken in a constructive and gentle manner with a view to identifying gaps and considering practical measures to bridge them. He also said that the ten-year report will not only serve as a useful commemorative document but also as a record of the past work. In the light of some adverse remarks that have been made about the Organization and in the light of the increasing recognition of its work, this document will show that all the Organization's work had been useful.

On the subject of the Common Fund for Commodities, Mr. Buang said that the decision to allow the desired latitude and flexibility would give the Organization access to more resources and hoped that such flexibility would attract resources from other sources in the future. On CITES, he said this was an issue of great concern. He said that CITES had been in effect for more than 20 years and the time for review was ripe. He said that the real problem with CITES was that it was being used by members and non-members to include the listing of tropical timber species. Therefore it was important to increase cooperation, to understand the procedures of the convention and to ensure that the Timber Working Group addressed relevant concerns.

Mr. Buang noted with satisfaction that Producers had made extraordinary efforts to make their financial contributions to the Organization on time and in full, although it was very difficult for Producer countries to meet their obligations. Efforts in this regard reflected their commitment to the Organization. On the recent session of the UNCSO Panel on Forests, Mr. Buang applauded the Government of Japan for indicating its willingness to contribute to help ITTO play a meaningful role in the work of the Panel. Such a contribution will help ensure that the issues relating to tropical forests are given a fair hearing by the Panel. He shared the concern for the need to continually upgrade the project cycle and was thankful to Consumer Members for their flexibility to space out the consideration of the report, particularly as the agenda of the next session was already crowded.

Mr. Buang said that the Council was indebted to the President of Ghana, J. J. Rawlings, and to all the people of Ghana for their generous hospitality and elaborate preparations. He thanked the Minister of Lands and Forests, Dr. Kwabena Adjei, for his help, resources, time and personal interest in the Council. He also expressed his thanks to Mr. John François and his staff, to Mr. Sam Appiah, the Executive Director and his staff, the interpreters and translators, and to all delegations. He said he regretted hearing the swan-song of the Consumer Spokesperson Mr. Symons and wished him well.

100. The Representative of the European Union, Mr. Enzo Barattini, stressed the E.U.'s satisfaction at the decision on the mid-term review which was of great importance, and he awaited the next session with impatience in order to see what the status of this cornerstone of the Organization was. Other decisions at this session were also cause for great satisfaction because they reinforced the role of ITTO and its cooperation with other organizations. He noted that some delegates were making their final appearances at the Council, namely the delegates of Denmark, Switzerland and, possibly, the U.K., and he wished them well. He thanked Mr. Symons for his contribution as Consumer Spokesperson. He said that Mr. Symons had shown a calmness that was very different from that of his predecessor and which had led to some very positive and fruitful results. Mr. Barattini expressed his thanks to the people and Government of Ghana, the Minister of Lands and Forests, the Executive Director, the Chairman, the interpreters and all those who had contributed to the success of the session.

101. The Delegate of Japan, Mr. Shimizu, said that his delegation was happy with the decisions on the mid-term review, contribution to the CSD Intergovernmental Panel and strengthening of the project cycle, and progress on other substantive issues. He expressed his thanks to the Chairman and other Bureau members, the Secretariat and the Executive Director, interpreters, translators and the people and Government of Ghana and said that his delegation left with a deep appreciation of the beautiful city of Accra.

102. In his closing statement, the Executive Director, Dr. Freezailah said that the hospitality of the Ghanaian people had helped make the Council session a success. He paid tribute to the Government of Japan for its financial assistance to ITTO which he said had given encouragement to all those who were committed to sustainable development and ITTO's Year 2000 Objective. He also mentioned Norway, the U.S.A., the Netherlands, France and Finland for their contributions. Dr. Freezailah said that with funding fully pledged, the Mission to Bolivia would now take place, saying that this was a challenge on which rested the credibility of the Organization. Council should also consider sympathetically the plea from the Representative of Liberia to alleviate the financial burden imposed on it by membership of ITTO.

The Executive Director referred to ITTO's participation in the CSD Intergovernmental Panel on Forests, saying that all of ITTO's work came under review by this Panel. This called for the vigilant participation by ITTO Members in the Panel, and he recognised the readiness of Japan and others to assist ITTO to make a meaningful contribution. He also assured the Council that ITTO's work on certification would continue and ITTO would not be found wanting on this issue. Dr. Freezailah mentioned several other decisions made by Council, saying that they were all matters to keep the Organization "on its toes" and he hoped they would inspire the release of more funds. He said he left the session with a feeling of encouragement that Members would strengthen the Secretariat to function with a respectable critical mass of resources. He concluded by expressing his thanks to all those who made the session possible, including the Chairman and Vice-Chairman, Mr. Appiah and his team on the organizing committee, the interpreters and translators, the conference assistants and catering staff. He wished all delegates a safe journey back to their respective posts.

103. The Minister of Lands and Forests of Ghana, H.E. Dr. Kwabena Adjei, paid tribute to the President of the Republic and to the Government and people of Ghana who had kept good faith during the session by mobilising all their resources to the tasks at hand. Technical and professional staff of the Ministry of Lands and Forests, the Timber Export Development Board, the Forestry Commission and several other organizations had cooperated to ensure the smooth progress of the session. It was clear that Africans had considerable capabilities in assisting international organizations.

The Minister expressed his appreciation of the candid views presented by the Executive Director. The Decisions made by this session would also earn the Organization credibility and respect.

In conclusion, the Minister said that Ghana fully intended to ratify the ITTA, 1994 and, in wishing delegates a safe journey home, he trusted they would carry with them good memories of the warmth of Ghanaian hospitality.

104. The Chairman, Dr. Rubén Guevara Moncada, said he felt the session had provided evidence of the Organization's commitment to achieving the Year 2000 Objective. He noted the numerous interventions from delegations informing the Council of imminent ratification or progress in that regard. He also noted the decisions on further cooperation with the Intergovernmental Panel on Forests and the Timber Working Group of CITES. He was pleased with the decision to produce a ten-year report on ITTO's work and he thanked the Government of Japan for their support of this project. Dr. Guevara thanked the Government of Ghana for hosting the session, and all those behind the scenes who toiled to make the sessions a success. He then thanked the Executive Director and his staff, and declared the Eighteenth Session of the International Tropical Timber Council closed.

**ANNEX I**

**LIST OF PARTICIPANTS**

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10-18 May 1995  
Accra, Ghana

**PROVISIONAL LIST OF PARTICIPANTS**

**EIGHTEENTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
AND SIXTEENTH SESSIONS OF THE PERMANENT COMMITTEES**

**Accra, Ghana, 10-18 May 1995**

Note: The data of the entries in this list are as provided to the Secretariat.

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Tokyo  
Assistant Director, Developing Economies  
Division, Ministry of Foreign Affairs, Tokyo

Mr. Atsuo Ida	Assistant Director, Wood Products Trade Office, Wood Distribution Division, Forest Policy Planning Department, Forestry Agency, Tokyo
Mr. Hidehiro Hosaka	Assistant Director, Developing Economies Division, Economic Affairs Bureau, Ministry of Foreign Affairs, Tokyo
Mr. Junji Yamazaki	Second Secretary, Embassy of Japan in Ghana, Accra
Mr. Hiroshi Nakata	Official, International Forestry Cooperation Office, Private Forest Department, Forestry Agency, Tokyo
Mr. Masaya Sagawa	Official, Developing Economies Division, Economic Affairs Bureau, Ministry of Foreign Affairs, Tokyo
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Mr. Masran Bin Md. Salleh	Director, Forest Management Unit, Forestry Department Headquarters, Peninsular Malaysia
Mr. Haji Awang Tengah Hj. Ag. Amin	Director of Forestry, Forestry Department, Sabah
Dr. Roslan Ismail	Director, Technoeconomic Division, Forest Research Institute of Malaysia
Ms. Zaibi bt. Yakin	Planning and Development Officer, Malaysian Timber Industry Board, Kuala Lumpur
Mr. Jumat Ahmad	Marketing Officer, Malaysian Timber Industry Board, Kuala Lumpur
Ms. Jacey Lee	Executive Officer, Trade Promotion Unit, Malaysian Timber Council, Kuala Lumpur
Mr. Yap Chin Tian	Board Member, Malaysian Timber Council, Kuala Lumpur
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Senior Executive Officer, Ministry of Environment, Oslo

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Director de Planificación y Cooperación Internacional, INRENARE
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Mr. Ger van Vliet

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## **ANNEX II**

### **Agenda**

{Document: ITTC(XVIII)/1}

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ITTC(XVIII)/1  
14 February 1995

Original: ENGLISH

EIGHTEENTH SESSION  
10-18 May 1995  
Accra, Ghana

### PROVISIONAL 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. Proposed Distribution of Votes
6. Admission of Observers
7. Appointment of the Credentials Committee
8. Statement by the Executive Director
9. Statement by the Representative of the CITES Secretariat
10. Projects:
  - a) Reports of the Sixteenth Sessions of the Permanent Committees;
  - b) Consideration of Project and Pre-Project Proposals.
11. Report on 1995 Annual Market Discussions
12. Sustainable Management of Tropical Forests:
  - a) Reports by Members on Progress made towards the Year 2000 Objective - Decision 3(X)
  - b) 1995 Review of Progress towards the Achievement of the Year 2000 Objective - Decision 3(X)
13. Report of the Credentials Committee
14. Review of Contributions to the Administrative Budgets

15. 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.
16. Auditor's Report on 1994 Accounts
17. Annual Report for 1994
18. Dates of the Twenty-first Session of the Council and the Nineteenth Sessions of the Permanent Committees
19. Other Business
20. Decisions and Report of the Session
21. Closure of the Session

## ANNOTATIONS TO THE PROVISIONAL AGENDA

### Item 1 - Opening of the Session

The Eighteenth Session will be opened by the Chairman of the Council, Dr. Rubén Guevara Moncada (Honduras).

### Item 2 - Ascertainment of the Quorum

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

### Item 3 - Adoption of Agenda and Organization of Work

The Council may decide to consider and adopt its Agenda. The Council may decide to take in Closed Session of Members only, Items 14, 15 (a) & (b), and 16. The Finance Committee established under Decision 4(XI) may examine and assist in expediting consideration of these Items. On the schedule of meetings, the Council may arrange the timetable after due consultations with the Council Chairman's Co-ordinating Bureau, issuing the timetable daily and at more frequent intervals as necessary. However, registration shall be 14:30-17:00 hours on 9 May, 09:00-12:00 and 14:30-17:30 on 10 & 11 May 1995 (please see General Information Notes). The first Council meeting of the Session will convene at 10:00 hours on 10 May 1995.

### Item 4 - Report on Membership of the Council

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

### Item 5 - Proposed Distribution of Votes

The distribution of votes for the year 1995 is reproduced as Annex I to these Annotations. The Council may decide to approve this distribution in accordance with Article 10(6) of the ITTA, 1983.

### Item 6 - Admission of Observers

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

### Item 7 - Appointment of the Credentials Committee

The Council may, after due consultations, appoint representatives of eight member countries to constitute the Credentials Committee for 1995.

Item 8 - Statement by the Executive Director

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

Item 9 - Statement by the Representative of the CITES Secretariat

In response to the invitation extended to the Secretary-General of the CITES Secretariat, pursuant to Decision 3(XVII), a representative of the CITES Secretariat will be attending the Session to address the Council. Following this Statement, Council may discuss matters related to cooperation between the ITTO and CITES Secretariats.

Item 10 - Projects

The Council will have before it the Reports of the Sixteenth Sessions of the Permanent Committees presented by the respective Chairmen. The Council may consider the recommendations contained in each of the Reports, including the Committees' recommendations on Project and Pre-Project Proposals.

Item 11 - Report on 1995 Annual Market Discussions

The Chairman of the Joint Session may make a Report to the Council under this agenda item. The theme of this year's Annual Market Discussions is "Substitution as it Affects the International Tropical Timber Trade".

Item 12 - Sustainable Management of Tropical Forests

- a) Reports by Members on Progress made towards the Year 2000 Objective - Decision 3(X)

Pursuant to Decision 3(X) of the Council, Members are invited to provide reports on progress made towards the Year 2000 objective so that members may confer annually on this matter. Such reports will be compiled by the Secretariat and circulated to all members when available. The Council may also wish to decide whether such discussions should take place during the first or second session of each year.

- b) 1995 Review of Progress towards the Achievement of the Year 2000 Objective - Decision 3(X)

Pursuant to its Decision 3(X), the Council may wish to consider the appropriate conduct, schedule, and funding of the Review as appropriate.

Item 13 - Report of the Credentials Committee

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

Item 14 - Review of Contributions to the Administrative Budgets

An up-to-date Report on the state of assessed contributions is placed before the Council.

Item 15 - Financial Resources of the Special Account

a) Pre-Project Sub-Account

The Executive Director will report on the contributions received and on the balance of the Pre-Project Sub-Account.

b) Project Sub-Account

The Executive Director will report on the contributions received and on the balance of the Project Sub-Account.

c) New Contributions to the Special Account

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

Item 16 - Auditor's Report for 1994

The Council may consider the Auditor's Report for 1994 prepared by the Secretariat as contained in document ITTC(XVIII)/3.

Item 17 - Annual Report for 1994

The Council may consider the draft Annual Report for 1994 prepared by the Secretariat as contained in document ITTC(XVIII)/2.

Item 18 - Dates of the Twenty-first Session of the Council and the Nineteenth Sessions of the Permanent Committees

By decision of the Council at its Seventeenth Session in Yokohama, Japan, the Nineteenth Session is scheduled to take place in Yokohama, Japan, on 8-16 November 1995, and the Twentieth Session is scheduled for 15-23 May 1996 in Manila, Philippines.

For purposes of forward planning, the Council may wish to decide on dates for the Twenty-first Session of the Council and the Nineteenth Sessions of the Permanent Committees.

Item 19 - Other Business

The Council may consider any matters raised under this item. The Executive Director may report on the status of implementation of a number of Council Decisions, *inter alia* Decisions on Timber Certification Studies and the ITTO Mission to Bolivia.

Item 20 - Decisions and Report of the Session

In accordance with Rule 33 of the Rules of Procedure, any Decisions taken during a Session shall be read out at the end of the Session. A report on the proceedings shall be prepared by the Executive Director and shall be circulated to all Members as soon as possible.



Item 21 - Closure of the Session

Following any final statements by Delegates, the Chairman will close the Eighteenth Session of the Council.

**ANNEX III**

**MEMBERSHIP OF COUNCIL AND DISTRIBUTION OF VOTES  
FOR MEMBER STATES FOR 1995**

PROPOSED DISTRIBUTION OF VOTES

	<u>Number of Votes</u>	
	<u>1994</u>	<u>1995</u>
<b><u>PRODUCERS</u></b>		
<b>Africa</b>		
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
<b>Asia &amp; Pacific</b>		
India .....	34	34
Indonesia .....	172	166
Malaysia .....	141	137
Myanmar .....	34	39
Papua New Guinea .....	28	31
Philippines .....	25	23
Thailand .....	21	21
<b>Latin America</b>		
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
<b>Total:</b>	<b>1,000</b>	<b>1,000</b>

CONSUMERS

Australia .....	18	16
Austria .....	11	11
Canada .....	12	12
China .....	38	91
Egypt .....	15	15
European Community		
Belgium/Luxembourg .....	27	21
Denmark .....	12	12
France .....	47	41
Germany .....	37	34
Greece .....	14	13
Ireland .....	13	12
Italy .....	38	35
Netherlands .....	43	33
Portugal .....	18	17
Spain .....	26	27
United Kingdom .....	45	45
Finland .....	11	10
Japan .....	349	334
Nepal .....	10	10
New Zealand .....	10	10
Norway .....	11	11
Republic of Korea .....	105	106
Russian Federation. ....	13	12
Sweden .....	11	11
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 EIGHTEENTH SESSION**

{Documents: DECISION 1(XVIII) ITTC(XVIII)/7  
DECISION 2(XVIII) ITTC(XVIII)/8  
DECISION 3(XVIII) ITTC(XVIII)/9  
DECISION 4(XVIII) ITTC(XVIII)/10  
DECISION 5(XVIII) ITTC(XVIII)/11  
DECISION 6(XVIII) ITTC(XVIII)/12  
DECISION 7(XVIII) ITTC(XVIII)/13  
DECISION 8(XVIII) ITTC(XVIII)/14}

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ITTC(XVIII)/7  
18 May 1995

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EIGHTEENTH SESSION  
10-18 May 1995  
Accra, Ghana

DECISION 1(XVIII)  
**PROJECTS AND PRE-PROJECTS**

The International Tropical Timber Council,

Having considered at its Eighteenth Session the recommendations of the three Permanent Committees on Projects and Pre-Projects, as contained in documents PCM(XVI)/9 Rev.1, PCF(XVI)/22 Rev.1 and PCI(XVI)/8.

1. Decides:

(i) To approve the following Projects:

PD 50/94 Rev.2 (M,I)	Selection and Introduction of Lesser-known and Lesser-used Species for Specific End-uses, Phase 4 (\$582,360.00)
PD 2/95 Rev.2 (F)	Book and Databank on the Lesser-known Timbers of South-East Asia: Volume 5(3) within the PROSEA Programme (\$996,448.00)
PD 3/95 Rev.2 (F)	Conservation and Provenance Plantings and Integrated Pest Management to Sustain Iroko Production in West Africa (\$668,891.00)
PD 8/95 Rev.1 (F)	Multiple Resource Stratification, Mapping and Inventory for the Management of the First Forest Zone in Gabon (\$1,252,475.00)
PD 9/95 Rev.2 (F)	Reforestation Using High-Value Tropical Species in Agroforestry Systems of the Province of Tambopata (\$704,503.00)
PD 16/95 Rev.2 (F)	Forest Health Monitoring to Monitor the Sustainability of Indonesian Tropical Rain Forests (\$456,989.00)

/...

- PD 13/95 Rev.1 (I) Capacity Building in Training in Planning and Management of Forest Industries in ITTO Producer Member Countries (\$1,302,890.00)
- PD 20/95 Rev.2 (I) Chemical Modification of Bamboo Culms and Their Resistance to Weathering (\$83,345.00)
- PD 21/95 Rev.2 (I) Comprehensive Studies of the Structure and Properties of Rattans for Effective Utilization (\$88,620.00)

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

- PD 3/95 Rev.2 (F)  
PD 8/95 Rev.1 (F)  
PD 9/95 Rev.2 (F)  
PD 16/95 Rev.2 (F)  
PD 20/95 Rev.2 (I)  
PD 21/95 Rev.2 (I)

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

- PD 1/93 Rev.1 (M,F,I) (\$413,182.00)

(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 50/94 Rev.2 (M,I)  
PD 2/95 Rev.1 (F,I)  
PD 13/95 Rev.1 (I)

(v) To authorize an increase in the budget and additional activities for the following project (Rev.2 approved) to comply with requirements of the Common Fund for Commodities, pursuant to Article 20(2a) of the ITTA, 1983, and to authorize financing for immediate implementation as soon as funds are available in the Special Account:

- PD 39/93 Rev.3 (I) Research and Development in Energy Alternatives from Biomass through Briquetting, Gasification and Direct Combustion (\$1,390,195.00)

2. Decides:

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

- PPD 4/95 Rev.1 (M) Management and Utilization of the "Paca" (*Guadua sarcocarpa*) (\$40,100.00)
- PPD 7/95 (M) Creation of a National System for the Collection and Processing of Congo Forestry Statistics (\$64,500.00)
- PPD 8/94 Rev.2 (F) Diagnosis and Design of a PLANFOR Support Programme (\$154,821.00)

PPD 6/95 Rev.1 (F) Forest Development Plan for the Sustainable Management of Forests in the Donoso District Province of Colon, Republic of Panama  
(\$251,407.00)

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

PPD 4/95 Rev.1 (M)  
PPD 7/95 (M)  
PPD 8/94 Rev.2 (F)  
PPD 6/95 Rev.1 (F)

- (iii) To authorize additional funding for implementation as soon as funds are available in the Special Account, of the following Pre-Project approved at the Thirteenth Session:

PPD 11/92 (I) Reviewing and Preparing Supporting Documents for Work on Guidelines for Sustainable Development of Forest Industries  
(\$66,300.00)

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

Tenth Expert Panel for Technical Appraisal of Project Proposals, 21-25 August 1995

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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18 May 1995

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EIGHTEENTH SESSION  
10-18 May 1995  
Accra, Ghana

**DECISION 2(XVIII)**

**1995 MID-TERM REVIEW OF PROGRESS TOWARDS  
THE ACHIEVEMENT OF THE YEAR 2000 OBJECTIVE**

The International Tropical Timber Council,

Recalling Decision 3(X) made in 1991 which adopted a strategy by which, through international collaboration and national policies and programmes, ITTO Members will progress towards achieving sustainable management of tropical forests and trade in tropical timber from sustainably managed resources by the Year 2000; and which decided to undertake in 1995 a major review of progress towards the achievement of the Year 2000 Objective, based on national submissions and to suggest, in the light of the 1995 review, any further measures for attaining the Year 2000 Objective;

Also recalling Decision 3(XIV) as adopted by the ITTC at its Fourteenth Session in Kuala Lumpur, 1993 concerning Estimating Resources Needed to Achieve the Year 2000 Target;

Further recalling Decision 3 (XIII) as adopted by the ITTC at its Thirteenth Session in Yokohama, 1992 regarding Sustainable Forest Management;

Mindful of the importance of the 1995 Mid-term review;

Noting other relevant Decisions which have been taken by the ITTC on this matter, in particular Decision 4(XIV), and other work which has been undertaken, including the criteria for measurement of sustainable tropical forest management;

Noting also that Decision 4(XIV) adopted a format for the preparation of information to be provided to the organization by Members;

Further noting Secretariat document ITTC(XVIII)/4;

Decides to:

1. Request the Executive Director to reconvene the panel of experts as requested in Council Decision 3(XIII), at an estimated cost of \$280,383.00, before the next Session of the ITTC, to recommend an approach and methodology for estimating resources needed and costs incurred, and to collate estimates submitted by members.

2. Request members to provide a report on the progress towards the achievement of the Year 2000 Objective to the Executive Director by 15 September 1995 but preferably before 31 August 1995, drawing upon the reporting format outlined in the Annex of Decision 4(XIV) and providing any additional information members consider appropriate to include. Where requested members are invited to provide financial assistance to developing member countries in preparing their reports. Reports should not exceed ten pages. Additional information may be included as Annexes.
3. Request the Executive Director to engage two Consultants (one from a producer country and the other from a consumer country) to prepare a report on members' progress towards attaining the Year 2000 Objective, on the basis of national reports submitted. The Consultants should prepare a draft report by 15 October 1995. It should be circulated in time for consideration by members before the Nineteenth Session of the ITTC.
4. Undertake the mid-term review at its Nineteenth Session and consider any further appropriate measures for attaining the Year 2000 Objective.

**ANNEX**  
**{Extract from Annex to Decision 4(XIV)}**

**FORMAT**

**1. INTRODUCTION/SUMMARY**

**2. INSTITUTIONAL AND POLICY FRAMEWORK**

- Legal and institutional framework<sup>1</sup> for relevant national forest policy and implementation of relevant forest management plans.
- Relationship of ITTO Decisions, the Year 2000 Target and ITTO Guidelines to national forest policy.
- Relevant legislation and other measures affecting trade in timber.
- Measures to increase the efficiency of relevant timber utilization and promote production of value added timber products.

**3. FOREST RESOURCE BASE**

- Areas and distribution of relevant protection forests, production forests and plantations and their relation to national goals and targets.
- Plantation establishment targets and annual planting regimes.

**4. PRODUCTION AND TRADE OF LOGS, SAWNWOOD, VENEER, PLYWOOD**

(where possible, trade data should be based on the internationally agreed harmonized tariff schedule)

- Production level, capacity and efficiency by major products by species groups (where possible) and estimates of future production.
- Export and import values and volumes.
- Prices for major products by species groups.
- Stocks.
- Share of tropical timber in total timber trade.
- Annual trends in timber production from the forests, consumption and international trade.

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<sup>1</sup> Especially information on the implementing agencies with details on their structure, personnel, skills, training needs and capabilities, budgets and other information deemed appropriate.

**5. INTERNATIONAL CO-OPERATION**

- Relevant international financial and technical co-operation.
- Relevant Research and Development in forest resource conservation, management and development.
- Measures to increase production and utilization efficiency including measures to increase value adding in producer countries.
- Measures to promote international trade in tropical timber derived from sustainably managed forests.

**6. RELEVANT ENVIRONMENTAL MEASURES**

- Environmental legislation and policies as related to timber: environmental assessments, regulations for forest operations, and other measures.

**7. RELEVANT SOCIO-ECONOMIC EFFECTS**

- Economic flows associated with production and/or use of timber.
- Employment.
- Provisions for involvement of local communities.
- General economic conditions which affect supply and demand of wood products.

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### DECISION 3(XVIII)

## ITTO'S TEN-YEAR PROGRESS REPORT

The International Tropical Timber Council,

Recalling the objectives of the Organization as laid down in Article 1 of the International Tropical Timber Agreement, 1983;

Appreciating the development of the Organization since its inception and the achievements made in project implementation and policy development in areas within its mandate;

Decides to:

1. Request the Executive Director to make the necessary preparations to publish a ten-year report reflecting ITTO's achievements in implementing the ITTA, 1983;
2. Present this report in a form suitable for general distribution to the public, and to all relevant international organizations;
3. Appeal to members to finance the preparation, publication and dissemination of the report in the working languages of the Organization.

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DECISION 4(XVIII)

**COOPERATION BETWEEN ITTO AND THE COMMON FUND FOR  
COMMODITIES**

The International Tropical Timber Council,

Recalling Chapter VIII (Article 26) of the International Tropical Timber Agreement, 1983;

Noting that the Common Fund for Commodities has already co-financed approved ITTO projects from its Second Account;

Appreciating these past voluntary contributions of the Common Fund for Commodities and its continued willingness to consider other approved projects for Second Account financing;

Desiring to facilitate further cooperation between ITTO and the Common Fund for Commodities;

Decides to:

1. Authorize the Executive Director to conduct consultations in respect of any approved ITTO project or pre-project with the Common Fund for Commodities, the executing agency, prospective co-financiers, and any other parties concerned, with a view to amending the project or pre-project to comply with the requirements of the Common Fund for Commodities;
2. Further authorize the Executive Director to prepare a revised project document acceptable to all parties mentioned in (1) above, provided the structure and objectives of the original approved project document are not materially altered;
3. Request the Executive Director to report on action taken under (1) and (2) above to the first subsequent session of the relevant Permanent Committee.

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**DECISION 5(XVIII)**

**COOPERATION BETWEEN ITTO AND THE CITES TIMBER WORKING GROUP**

The International Tropical Timber Council,

Recalling Decisions 6(XII) and 3(XVII) concerning measures to improve cooperation between ITTO and CITES;

Noting the CITES decision to invite ITTO to be represented in a CITES Timber Working Group on Timber;

Noting also the importance of the effective participation of developing member countries in the meetings of the CITES Timber Working Group;

Further noting ITTO's capability to provide the Timber Working Group with valuable technical knowledge and expertise on tropical timber and trade;

Appreciating the presentation by the CITES representative at the Eighteenth Council Session which provided members with a better understanding of the working methods and listing procedures of CITES;

Recognizing the benefit to members of taking further steps to encourage and expand ITTO-CITES cooperation and information exchange;

Decides to:

1. Request the Executive Director to have ITTO represented in the CITES Timber Working Group and to inform the Council of the work of this Group;
2. Also request the Executive Director, if funds are available in the Special Account, to facilitate the effective participation of developing member countries in the meetings of the CITES Timber Working Group.
3. Invite members to provide the Executive Director with any information that may contribute to ITTO's participation in the work of the Timber Working Group.

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**DECISION 6(XVIII)**

**FINANCIAL MANAGEMENT OF THE ADMINISTRATIVE BUDGET FOR 1995**

The International Tropical Timber Council,

Recognizing the efforts made by the Executive Director and his staff in exercising economies in the expenditures in the Administrative Budget for the year 1995 estimated at \$3,981,167.00 which is slightly below the allocated budget;

Noting with concern the total receipts of contributions from Members to the Administrative Budget for 1995;

Recognizing that the possible receipts of contributions from Members to the Administrative Budget for the remainder of 1995 might fall short of the estimated total expenditures by \$531,787.00;

Noting further that the balance of the Working Capital Account at present stands at \$1,156,121.92;

Authorizes the Executive Director to transfer the sum of \$530,000 from the Working Capital Account to meet the anticipated shortfall of funds necessary to implement the work programme of the Organization for the year 1995;

Requests Members to pay as early as possible and in full their contributions to the Administrative Budget for 1995 as well as all arrears in contributions to previous years to prevent further erosion of the Organization's savings through the utilization of the Working Capital Account to meet shortfalls in contributions.



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**DECISION 7(XVIII)**

**CONTRIBUTION TO THE UNCSD INTERGOVERNMENTAL PANEL ON FORESTS**

The International Tropical Timber Council,

Noting the decision by the U.N. Commission on Sustainable Development at its third session in New York in April 1995 to establish an open-ended Intergovernmental Panel on Forests to pursue consensus and formulation of coordinated proposals for action in the area of forests,

Also noting that secretariat support to the panel should be provided by a small team under the Department for Policy Coordination and Sustainable Development (DPCSD), coordinated by a temporary direct hire assuming the availability of funds and with the secondment of relevant personnel from the U.N. system and other organizations, particularly FAO, UNEP, UNDP and ITTO;

Further noting that voluntary extra-budgetary contributions from governments and international organizations will be an important source of funding to support the work of the panel;

Recognizing the potential valuable contribution of ITTO to the work of the panel in areas within its mandate;

Decides to:

1. Authorize the Executive Director to:
  - (a) offer to provide DPCSD with funds to appoint a direct hire for a maximum of two years to coordinate the work of the panel secretariat;
  - (b) offer to provide on secondment to DPCSD one ITTO staff member to work under the direction of the coordinator of the panel secretariat for a maximum of two years;
  - (c) appoint a liaison officer to the ITTO staff for a maximum of two years to assist the ITTO to carry out any tasks it may be requested to undertake by the panel;
  
2. Request the Executive Director to:
  - (a) raise the necessary funds for (i) above, and encourage ITTO members to contribute to the Special Account for this purpose;
  - (b) contact DPCSD in order to make the appropriate arrangements and to inform all ITTO members of the results of this contact as soon as possible.

3. Request the Executive Director to respond positively to any requests from the panel to the ITTO to undertake work within its mandate, including seeking necessary finances.

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### DECISION 8(XVIII)

### STRENGTHENING THE PROJECT CYCLE

The International Tropical Timber Council,

Mindful of the necessity to strengthen the project cycle and the need for assistance in project formulation for developing member countries;

Appreciating the efforts made by the Secretariat to maintain the quality of ITTO projects;

Aware of the limited resources the Secretariat can command to assist project formulation, implementation, monitoring and evaluation;

Decides to:

1. Encourage members to contribute further to the project PD 73/89 (M,F,I) ("Assistance for Project Identification and Formulation") to help developing member countries to formulate ITTO projects;
2. Request the Executive Director to engage two consultants (one from a consumer country and one from a producer country) to explore possible ways to strengthen the project cycle, including project assessment, drawing on views expressed by all Members, and to prepare a report in time for discussion at the Twentieth Session of the ITTC in May 1996;
3. Encourage members to contribute to the Special Account for implementation of the consultancy.

**ANNEX V**

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

{Documents: PCM(XVI)/9 Rev. 1  
PCF(XVI)/22 Rev. 1  
PCI(XVI)/8 }

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10-18 May 1995  
Accra, Ghana

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
SIXTEENTH SESSION OF THE PERMANENT COMMITTEE ON  
ECONOMIC INFORMATION AND MARKET INTELLIGENCE

Table of Contents

Report

Appendix A: Technical Assessment of Projects in the Area of Economic Information and  
Market Intelligence and Summary Table

Appendix B: Market Statement

## REPORT

### 1. Opening of the Session

The Sixteenth Session of the Committee was opened on 10 May 1995 at a Joint Session of all three Permanent Committees under the Chairmanship of Mr. Derk de Groot (Netherlands), Chairman of the Permanent Committee on Reforestation and Forest Management. The list of participants is reproduced in document ITTC(XVIII)/Info.3 Rev.1.

### 2. Adoption of Agenda and Organization of Work

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

### 3. Admission of Observers

The list of observers admitted by the Committee is reproduced in documents ITTC(XVIII)/Info.3 and ITTC(XVIII)/Info.3 Add.1.

### 4. Market Discussion (Joint Session of Permanent Committees chaired by Prof. Achmad Sumitro, Indonesia)

The 1995 Market Discussion was preceded by the host country presentation: "The Forest Resources Situation and Developments in the Timber Trade and Industry of Ghana".

The main theme of the 1995 Market Discussion was "Substitution as it Affects the International Tropical Timber Trade". The Rapporteur was Mr. Geoffrey Pleydell, Trade Advisor of the U.K. Delegation.

The following were the discussion leaders and the topics of their presentations:

Mr. Peter Drake  
Senior Market Associate  
Reid Collins, Canada

"Substitution as it Affects the International  
Tropical Timber Market"

Mr. Frank Sheridan  
Past President, Member of the Board  
International Wood Products  
Association (IHPA), U.S.A.

"North American Market Perspective"

Mr. Jumat Ahmad  
Marketing Officer  
Malaysian Timber Industry Board  
(MTIB)  
Kuala Lumpur, Malaysia

"South-East Asian Perspective"

Mr. Atsuo Ida  
Assistant Director  
Wood Distribution Division  
Forest Policy Planning Dept.  
Forestry Agency  
(On behalf of Mr. Akihiko Araya,  
Manager, Overseas Research  
Division, Japan Wood Products  
Information and Research Center,  
Tokyo, Japan)

"The Japanese Market Perspective"

Mr. Peter Boateng  
Consulting Forest Economist  
Waldbau, Ltd.  
Takoradi, Ghana

"African Perspective"

Mr. Ad Wesselink  
Member of the Board of Directors  
European Tropical Timber Market  
Trade Federation (UCBT)  
Brussels, Belgium

"European Market Perspective"

Mr. Ivan Dantas Mesquita Martins  
Forest Engineer  
Ministry of the Environment  
Brasilia, Brazil  
Ms. Ana Maria Tapajos  
Brazilian Cooperation Agency  
Ministry of Foreign Affairs  
Brasilia, Brazil

"Latin American Perspective"

A Market Statement synthesizing the above papers and the ensuing discussions is contained in Appendix B.

The Annual Review and Assessment of the World Tropical Timber Situation will be discussed, together with Country Market Statements submitted by members, during the Seventeenth Session of the Permanent Committee in November 1995. Members were urged to provide responses to ITTO's Forecasting and Statistical Enquiry in a timely fashion.

#### 5. Report of Completed Projects

The Committee took note of the report by the Secretariat [document PCM(XVI)/3] containing details of four completed projects. It also noted that the final report of one of these projects [PD 24/94 Rev.1 (M)] had been considered at its previous Session.

Reports by representatives of the implementing agencies were given for the following projects:

1. **PD 31/92 Rev.1 (M) Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase III**

Mr. Jan Nico Van de Stadt (Advisor, Netherlands Timber Trade Association) and Mr. Maarten Adriaan Zijp (Research Scientist, Department of Forestry, WAU, Wageningen) presented the completion report and gave a demonstration of the MORELKS system. Copies of the final report were distributed to all delegations.

2. **PD 9/93 Rev.1 (M) Market Intelligence: Tropical Timber Market Information System**

Mr. Rudy de Boer (Institute for Forest and Forest Products, Wageningen) presented the completion report. Copies of the final report were distributed to all delegations.

3. **PD 28/93 Rev.3 (M) Analysis of Macroeconomic Trends in the Supply and Demand of Sustainably Produced Tropical Timber from the Asia-Pacific Region -Phase II**

Mr. Peter Drake (Senior Market Associate, Reid Collins, Canada) presented the completion report. It was noted that further training workshops will be necessary prior to any wide-scale distribution of the project results (i.e. the models). Members may wish to consider making funds available for such a workshop at this Session. It was also noted that follow-up project work to extend the study to other producing regions would be desirable and members were urged to consider this. Copies of the final report were distributed to all delegations.

The representative of FAO informed the Committee that FAO would be carrying out several regional outlook studies, most likely starting with the Asia-Pacific region. The Secretariat assured the representative of FAO and the Committee that there would be full cooperation and coordination with FAO in this regard, including access to the models developed under this project.

6. Report of Completed ITTO Activity

**PPA/11-14 Feasibility of Strengthening Incentives for the Management of Tropical Moist Forest for Sustained Production in a Producer Country**

The Committee took note of the report by the Secretariat [document PCM(XVI)/4] indicating that the release of the final report of the Activity was being considered by the Government of Ghana in consultation with the ILED. The representative of the U.K. confirmed that the report had been finalized and widely distributed in Ghana, with some recommendations already implemented. Further copies are being prepared and will be circulated.

7. Report of Pre-project Work in Progress

The Committee considered a report [document PCM(XVI)/5] 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 two 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 slightly behind schedule. A final report should be ready for consideration at the next session of the Committee.

2. **PPD 5/94 (M) Implementation of a Forest Statistical Information System**

The representative of Peru informed the Committee that the pre-project had just commenced and a foreign consultant had been retained. The pre-project will be completed by the end of June and a final report (and possibly a follow-up project) will be considered at the next session of the Committee.



8. Report of Project Work in Progress

The Committee considered a report [document PCM(XVI)/6 and document PCM(XVI)/6 Add.1] prepared by the Secretariat on the progress or status of projects approved for financing and implementation by the Council. The Committee took note of progress reports on the following ten projects:

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

The Secretariat reported that the Deliberation Committee Meeting had taken place on schedule. A final report should be available for the Committee's consideration at its next Session.

2. **PD 27/92 Rev.1 (M)      Development of an Information System for Tropical Timber Properties to Promote Appropriate Use of More Species**

The representative of the executing agency (OFI) reported that work was proceeding on schedule and the project would soon be completed. He provided a demonstration of the PROSPECT database to members of the Committee.

3. **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 Committee took note of the report [document PCM(XVI)/6 Add.1] on progress submitted by the implementing agency (Forestry Department, Gabon). The Secretariat noted that the project was on schedule and proceeding well. A project steering committee meeting would be convened during this Council Session.

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

The representative of the executing agency (ITC) informed the Committee of the successful implementation of the project to date. Some delegations requested clarifications from the Secretariat on arrangements for the impending transfer of the service to Yokohama. They also advised that the proposed transfer should be handled in such a way so as to maintain the quality of the service.

The Secretariat offered clarifications to the Committee on the arrangements envisaged for the transfer of the service to the ITTO headquarters. This transfer, which had been the subject of past deliberations in the Committee, was decided in the interest of building up the Organization's in-house capability in market intelligence, trade statistics, and information. There will be a transitional period during which all efforts will be deployed to ensure that the transfer of the service does not detract from its quality. Cooperation will be maintained with the ITC and this and other matters will be discussed between the Secretariat and the ITC.

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

The first three Workshops under this project were completed successfully in May 1994 (Cali, Colombia), August 1994 (Cap-Esterias, Gabon) and December 1994 (Kuala Lumpur, Malaysia). Over 80 participants took part in the three workshops, further strengthening ITTO's network of statistical contacts.

The Secretariat informed the Committee of arrangements for the second cycle of Workshops. The Ministry of Agriculture of Côte d'Ivoire is assisting in arranging the first Workshop in Abidjan from 22 May to 10 June 1995. Arrangements with consultants (General Woods and Veneers of Quebec, Canada) for teaching the course have been finalized. The final two Workshops under this project are scheduled for August and December 1995 in Venezuela and Malaysia respectively. The Secretariat informed the Committee that a follow-up project to continue these training workshops would be considered at its next Session.

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

The Secretariat informed the Committee that the project agreement has been finalized and the first tranche of funds is about to be sent.

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

The project agreement will shortly be finalized.

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

Following finalization of the project agreement, tenders were called in early April 1995 for the international consultants required by this project. Project work will commence shortly.

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

The project is still awaiting financing.

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

The project is still awaiting financing.

9. Consideration of Pre-project and Project Proposals

The Committee had before it one pre-project and five project proposals evaluated by the Expert Panel for the Technical Appraisal of Project Proposals at its Ninth Session. 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 (the technical appraisals of these projects/pre-projects are contained in Appendix A). Consequently the Committee considered two pre-projects and three projects:

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

The delegate from Peru provided some background information on the pre-project. The Committee decided to recommend this pre-project for immediate approval and financing.

2. **PPD 7/95 (M) Creation of a National System for the Collection and Processing of Congo Forestry Statistics (Congo)  
*Previously PD 22/95 (M)***

The Secretariat provided some background information on the pre-project, which had arisen from an ITTO statistical workshop under PD 27/93 Rev.1 (M). The Committee decided to recommend this pre-project for immediate approval and financing.

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

Several delegations expressed support for the work of the project so far, which had proved useful to producers and consumers alike. The implementing agency noted that all member countries would be given a free copy of MORELKS, with a minimal charge for additional copies to offset costs of updating the database. The Committee decided to recommend this project for immediate approval and financing.

4. **PD 43/94 Rev.1 (M) Market Intelligence: Tropical Timber Market Information System (Netherlands)**

The Committee was informed by the Secretariat of the unavoidable delay in the evaluation of the project which had been recommended at its last Session. The executing agency welcomed the prospect of a full evaluation. Several producing and consuming delegations expressed support for the project, including the view that it should ideally become a part of ITTO's regular work programme. The Secretariat noted that a consultant would be retained in time to allow a full evaluation and a revised project proposal to be considered at its Seventeenth Session. The Committee waived the deadline of 21 June for submitting this project to the Tenth Expert Panel, with the evaluation report and revised proposal to be submitted to the Secretariat by 1 August 1995.

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

The Committee's discussion focused on certification, the mandate of ITTO, and how best to integrate Indonesia's initiative and any others into ITTO's Year 2000 Objective. There was general recognition that ITTO should pursue its evaluation of certification in cooperation with governments and relevant national and international agencies. In that regard many members of the Committee welcomed and encouraged the proposal being submitted by Indonesia.

There were however concerns expressed by some members on various elements of the proposal, in particular the role of other certifier agencies, the time frame for implementation of the scheme, the criteria for selection of assessor firms and the impact of on-going trials of various certification criteria. It was also felt necessary to clarify that the intention is to certify forest management for the purpose of timber production with associated environmental safeguards, and not to embrace the full range of issues raised by the term "ecolabelling". Whilst many delegations supported the immediate approval of the Indonesian proposal, which limited itself to training, others were of the view that more time was required to study further the details of the proposal.

Following consultations initiated by the Chairman, it was agreed to invite the Indonesian Government to prepare a revised project proposal which should be submitted directly to the Committee for its consideration at its Seventeenth Session. Governments are therefore requested to forward their comments to the Indonesian Government and to the Secretariat prior to the Seventeenth Session.

10. 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.

11. Dates of the Nineteenth Session of the Permanent Committee

The Nineteenth Session of the Permanent Committees will be held in conjunction with the Twenty-first Session of the International Tropical Timber Council, scheduled for Yokohama, Japan, in November 1996.

12. Any Other Business

(i) Under this item and pursuant to the recommendation at its last Session, there was a discussion by the Committee of matters relating to the ITTO Annual Forecasting and Statistical Enquiry. Proposals for revision of the ITTO Enquiry were presented by the Secretariat. The Committee recommended the following:

- The harmonization of ITTO's statistical functions with those of other related agencies (FAO, FAO/ECE Timber Committee, etc.) should be strengthened and continued.
- The deadline for receipt of the Enquiry by the ITTO Secretariat should, within reason, be made flexible to ensure responses from all members.
- A more complete and technical discussion of this issue should be undertaken in a meeting of technically qualified representatives of member countries and interested observers.

The following specific points were raised regarding the proposed 1995 Enquiry:

- Identification of individual species is increasingly difficult due to customs classification schemes used in many consumer countries. Members should attempt to provide at least information on species groups in the relevant tables.
- Intra-European trade data is becoming increasingly difficult to collect since the introduction of the European single market. ITTO should continue to coordinate with the ECE Timber Committee to attempt to address this problem.
- The request for forecasts of figures for the current year and, if necessary, for the year immediately preceding distribution of the Enquiry is often difficult to fulfill. ITTO should continue to seek ways to improve its ability to provide short-term forecasts.

(ii) The representative of FAO provided information on the activities of an ECE Timber Committee group of technical experts which is currently working on forest product certification. He indicated the scope of the work and noted that efforts were made to ensure that there was no duplication with the work of other organizations such as ITTO. It was suggested that some of the results might be of value to ITTO in its own projects on certification. The report of the ECE group would be presented to the ECE Timber Committee meeting to be held late in 1995.

13. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

- (i) That funds be allocated to implement pre-project PPD 4/95 Rev.1 (M) (\$40,100)
- (ii) That funds be allocated to implement pre-project PPD 7/95 (M) (\$64,500)
- (iii) That funds be allocated to implement project PD 50/94 Rev.2 (M,I) (\$582,360)
- (iv) That Council take note of the recommendations arising from the Committee's discussion of ITTO's Forecasting and Statistical Enquiry and statistical functions.

## APPENDIX A

### TECHNICAL ASSESSMENT OF PROJECTS IN THE AREA OF ECONOMIC INFORMATION AND MARKET INTELLIGENCE AND SUMMARY TABLE

#### 1. PD 43/94 Rev.1 (M) Market Intelligence: Tropical Timber Market Information System

This project is a follow-up to projects PD 14/87 (M) "Market Intelligence: analysis of wood flow as a basis for an early warning system for the tropical timber market", PD 158/91 Rev.1 (M) "Market intelligence; analysis of wood flow as a basis for an early warning system for the tropical timber market - phase II: Testing the system" and PD 9/93 "Market intelligence: Tropical timber market information system". The latter project, which is due for completion in June 1995, is extending the current market information system, tested under PD 158/91 Rev.1 (M), to include the years 1992 and 1993 and also expanding its geographical coverage to Spain and Italy. It is also establishing whether the system can be applied to the Japanese market.

The present project, to be implemented over a two-year period, envisages the following activities and outputs:

1. To extend the coverage of the market information system executed in PD 9/93 Rev.1 (M) to 1994 and 1995.
2. To analyse the market trends and developments on the basis of the market reports for 1991, 1992, 1993, 1994 and 1995.
3. To describe the flow of tropical timber in the Japanese market.

The project meets the objectives outlined under Programme Area 4 (Situation Trends and Prospects Studies) of the EIMI Work Program contained in the ITTO Action Plan. The project also meets the Objectives (a), (b), (c), (d), (e) and (g) of Article 1 of the ITTA 1983.

#### Comments and Recommendations of the Eighth Expert Panel

The Panel agreed that the monitoring of tropical timber trade flows and end use in Europe is relevant to the work of ITTO, and that the proposal followed the structure given in the ITTO Manual for Project Formulation. The Panel noted, however, that the proposal was actually the 4th phase of an on-going project which had already received over \$700,000 in ITTO funding. However, the 3rd phase (PD 9/93 Rev.1 (M)) was still in the process of implementation and without its final report it would be difficult to accurately assess its results and the justification for a fourth phase.

Judging from the work so far completed, the Panel requested an evaluation of how the work is coordinated with that undertaken in various other existing institutions. It requested more information on the linkages between this work and the functions of the Division of Economic Information and Market Intelligence of ITTO. It was essential to assess in detail the success of the methodology employed to date in achieving the project's objectives, on the dissemination of results to various users, and on the utility of those results to users (especially in producer member countries). Finally, the Panel questioned the costs of the experts, drawing attention to the fact that this concern had been raised in previous phases, and to the lack of any in-kind contribution from the submitting government.

The Panel recommended that the Permanent Committee approve a pre-project at its 15th Session to appoint 2 independent/external consultants to evaluate the work undertaken in the first phases of this project prior to considering any further phases. The terms of reference of such a pre-project should include assessment of:

- i. the validity and success of the methodological approach employed to date;
- ii. the extent of inter-linkages with other EIMI activities/functions and any potential overlap;
- iii. dissemination of the results of the first 3 phases;

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- iv. the utility of the results of the first 3 phases, possibly including a survey of recipients; and
- v. financial and organizational arrangements given the on-going nature of such work.

The findings of this pre-project, and any resulting project proposal, should be presented to the 9th Expert Panel and, following its appraisal, to the 16th Session of the Permanent Committee.

#### Conclusion of the Eighth Expert Panel

The project document has been revised as follows:

- i. Part II Section 1 ("Origin") has been expanded to include discussion of data collection.
- ii. Part III Section 1 ("Arrangements for reporting") has been expanded to include provision for extra copies of the report to be distributed by the Executing Agency.
- iii. Part IV ("Budget") has been revised to include a note clarifying the costs of the experts.
- iv. Annex 2 ("Examples of the output") has been added.

The proposal follows the format proposed in the ITTO Manual for Project Formulation.

The Acting Chairman of the Permanent Committee, with the consent of the Committee, decided at the 15th Session of the Committee that a consultant should be appointed to carry out the evaluation requested by the Panel. This consultant was appointed in early February and a report should be available for the Panel to review when assessing the revised proposal.

#### Comments and Recommendations of the Ninth Expert Panel

The Panel referred to the comments and recommendations from its previous consideration of this proposal and expressed regret that, due to the sudden illness of the consultant, the full evaluation report was not yet available to assist in the assessment of the proposal. The Panel expressed reservations about the validation and use of the data, the number of sequential projects and the fact that the work appeared to be mainly reactive to changes in data collection rather than being proactive. The Panel also noted that the level of expertise employed and consequently its cost did not appear justified given the relatively routine work being carried out. There appeared to be a regrettable lack of innovation and of detailed consideration to applications and sustainability. There are also indications that existing data sources might be used more productively. The Panel reiterated its three main concerns over the proposals, these being:

- i. Who are the current and prospective users of the project's output?
- ii. How are the outputs of the project being used?
- iii. What is the ultimate goal of this project? Is it envisaged that SBH will continue such project work indefinitely and with the same level of expert input?

Furthermore, the Panel is of the view that for adequate it needed to study the final report of the current phase of the project together with the independent consultant's evaluation report before considering any follow-up proposal.

The Panel noted that whilst the Permanent Committee may wish to consider this proposal at its 16th Session together with the final report of the current phase of the project and the consultant's evaluation report before considering any follow-up proposal.

The Panel noted that whilst the Permanent Committee may wish to consider this proposal at its 16th Session together with the final report of the current phase of the project and the consultant's evaluation report, it would prefer to consider a revised proposal and make recommendations on it to the Permanent Committee. The Panel recommends that SBH revise their proposal in the light of its comments and of the report of the independent evaluation.

### Conclusion of the Ninth Expert Panel

In the Panel's view, there was insufficient information to assess the project adequately at the present time.

### Assessment by the Committee

A revised proposal will be considered by the Committee at its Seventeenth Session.

#### **2. PD 50/94 Rev.1 (M) Selection and Introduction of Lesser-known and Lesser-used species for Specific End-uses, Phase 4**

This project is the fourth phase following an original project PD 18/87 Rev. 1, and its second and third phases in PD 134/91 (1) and PD 31/92 (M) respectively. The overall objective envisages, over a four year period, a 4-phased project on selection and market introduction of lesser known species. The development objective of this project is to enable the timber industry and trade in producing and consuming countries to calculate more effectively the risks inherent in the choice of timber for specific end-uses and/or species for specific purposes.

During Phase 1 a computer-based analytical system was extended to cover end-use requirements in USA and Japan. Further commercial information, such as the form and the conditions on which a given species of timber is supplied, was also added. During Phase 3, the theoretical model developed in Phase 2 was refined using new software into an extended demonstration version. An Advisory Group, consisting of experts from 9 cooperating Governments and the ITTO Secretariat, has been established and to date has met twice to assess the effectiveness of the model.

Under the final Phase 4 it is envisaged that the project's information base will be further expanded to include additional important end-users in the markets of Japan, USA and Western and Southern Europe and more potentially promising species from producing countries. Further information on production and sustainability (ecological conditions) will also be added.

The project meets the objectives outlined under Programme Areas 1 (Information Collection, Analysis and Dissemination) and 4 (Situation, Trends and Prospect Studies) of the EIMI Work Program contained in the ITTO Action Plan. The project also meets the Objectives (a), (b), (c), (d) and (g) of Article 1 of the ITTA.

### Comments and Recommendations of the Eighth Expert Panel

The Panel agreed that the proposal is relevant with respect to the objectives of the ITTO, and that the proposal followed the structure given in the ITTO Manual for Project Formulation. However, the Panel expressed serious misgivings regarding the size of the budget for the proposed work program. It felt that several budget items were excessive and needed to be substantially reduced, including among others the amounts for consultants/national experts, sub-contracts in consuming countries, fellowships, computer, and on-going survey of related ITTO work. The Panel also requested that the need for the degree of national expertise provided in the proposal be justified, given that this is the 4th phase of the project consisting primarily of updating and improving the user -friendliness of the existing MoreLKS database, together with dissemination and training. The Panel also felt that the training component of the project needed to be spelled out in more detail. It suggested the possibility of expanding/improving the proposed user manual as a substitute for the proposed training courses. The Panel noted that the final report on the on-going project [PD 31/92 Rev.1 (M)] was not concluded and that this made it difficult to assess accurately its results and the justification for a follow-up phase.

The Panel felt that the proposal should include examples of output from the existing database. It should provide a clearer description of the role of the Advisory Group and of the evolving nature of the database. The linkage and coordination between the MoreLKS database and the PROSPECT database of OFI should be more clearly delineated.

### Conclusion of the Eighth Expert Panel

Complete reformulation of the proposal was essential. After reformulation, the Panel needs to assess the revised proposal.

### Secretariat Comments for Ninth Expert Panel

The project document has been revised as described in the new Annex 8 ("Remarks in reply to the Expert Panel"). All of the above comments were taken into account, with the new budget reduced by \$70,000 (11 per cent) from the original amount. The final report of PD 31/92 Rev. 1 (M) is expected in early February and will be available for the Panel's review when assessing the revised proposal. The proposal follows the format proposed in the ITTO Manual for Project Formulation.

### Comments and Recommendations of the Ninth Expert Panel

The Panel noted that almost all of its previous comments and recommendations had been incorporated in the revised version. The Panel, however, stressed that its intention in its initial review had not been to request the deletion of the training workshops as originally envisaged under the project. Rather, it sought more detailed information on the nature of such workshops if they were deemed to be necessary for the successful dissemination of the project's outputs.

The Panel expressed its concern that more information should be given on the coordination of inputs between the implementing agency of this proposal and the Oxford Forestry Institute, currently developing the PROSPECT database under ITTO project PD 27/92 Rev.1 (M,I). It recommended that the unique features of each database, and the work underway to produce a possible merged database (referred to briefly on page 30 of the revised proposal) be spelled out in greater detail. Finally, provision should be made for ITTO programme support costs of 5.5%.

### Conclusion of the Ninth Expert Panel

The Panel concluded that, with the incorporation of the above essential modifications, which are necessary for the project to succeed, the project should be commended to the Permanent Committee for final appraisal.

### Assessment by the Committee

The Committee decided to recommend the revised project [PD 50/94 Rev.2 (M,I)] for approval and financing.

## **3. PD 1/95 (M) Training Development in Indonesian Ecolabelling Scheme**

The Indonesian Ecolabelling Institute has already established country specific Criteria and Indicators of Sustainable Forest Management based on the ITTO Criteria. The development objective of this project is to accelerate sustainable forest management in Indonesia through an Indonesian ecolabelling scheme. The project proposes to establish and implement an improved system for certification related to data collection and analysis and a standard system for training sustainability assessors and their trainers. The project will result in a pool of Indonesian assessment trainers and assessors, and will also bring together all concerned stakeholders through a series of workshops to promote acceptance and understanding of the scheme. The proposal follows the format proposed in the ITTO Manual for Project Formulation.

The project meets the objectives outlined under Programme Areas 1 (Information Collection, Analysis and Dissemination) and 4 (Situation, Trends and Prospect Studies) of the EIMI Work Program, plus many of the objectives for RFM and FI contained in the ITTO Action Plan. The project is consistent with and will directly contribute to the achievement of ITTO's 2000 Objective. The project also meets the Objectives (b), (d), (f), (g) and (h) of Article 1 of the ITTA.



### Comments of the Expert Panel

The Panel felt that the project is relevant to the objectives and priorities of ITTO. It noted that ecolabelling could be one of a number of tools to assist in the achievement of sustainable forest management and other wider environmental objectives. It felt that within this context the project might be regarded as setting an example for other tropical timber producing countries in Asia. However, in its implementation the project should take due account of the outcome of any work undertaken by ITTO on timber certification and labelling. The Panel noted that whilst the project presentation attempted to follow the format established in the ITTO Manual for Project Formulation, some items of information in the proposal were missing or given in insufficient detail. In particular, the Panel requested that the following information should be incorporated into the proposal:

- i. The Institute's relationship with the Indonesian Government and the latter's view on ecolabelling.
- ii. The Institute's relationship with other national and international eco-labelling schemes and the degree of convergence between the Indonesian eco-labelling scheme and other.
- iii. The Institute's administrative structure, infrastructure and legal status.
- iv. The selection procedures for training.

### Recommendations

Revision of the proposal should:

- i. Follow the format stipulated in the ITTO Manual for Project Formulation.
- ii. Provide an overview of the Institute's criteria and indicators for sustainable forest management.
- iii. Indicate the degree of convergence of the Institute's criteria and indicators for sustainable forest management with those developed by ITTO and other national and international agencies.
- iv. Provide information on the Institute's relationship and linkages with other agencies working on eco-labelling schemes in Indonesia.
- v. Describe the methodological approach for the field implementation of the criteria and indicators.
- vi. Provide more details on existing human resources and training requirements and describe the selection procedures.
- vii. Include the terms of reference for key personnel involved in the project.
- viii. Present, as an annex, the Indonesian Eco-labelling Institute's objectives, legal status, staffing financing, international support and the criteria and indicators for sustainable forest management.
- ix. Provide for the establishment of a Steering Committee as prescribed in the ITTO Manual for Project Monitoring, Review and Evaluation, in view of the project's importance.
- x. Reformulate the budget to comply with the ITTO Guidelines for the Selection and Employment of Consultants and Guidelines for the Procurement and Payment of Goods and Services Financed from the Special Account and to include the following:
  - presentation of the budget by activities and by components
  - allocation of ITTO monitoring and evaluation costs
  - allocation of 5.5% ITTO programme support costs

### Conclusion

The Panel concluded that, with the incorporation of the above essential modifications, which are necessary for the project to succeed, the project should be commended to the Permanent Committee for final appraisal.

Assessment by the Committee

A revised proposal [PD 1/95 Rev.3 (M)] will be considered by the Committee at its Seventeenth Session.

**4. PD 22/95 (M)                      Creation of a National System for the Collection and Processing of Congo Forestry Statistics**  
***[resubmitted as PPD 7/95 (M)]***

The project aims to provide the Congolese Government with an analytical and statistical capability and to strengthen the latter in order to manage more adequately the country's forest resources. In this context, the project plans to set up a national network for the collection of forest statistics, develop a model capable of providing information on the demand and prices for tropical timber on the international market and update projections on the demand, supply and trade flows for the Congolese timber products up to the year 2000.

The outputs of the project meet the objectives outlined under EIMI Programme Area 1 (Information Collection, Analysis and Dissemination), 2 (Technical Assistance in Establishment and Improvement of Statistical Services) and 4 (Situation, Trends and Prospects Studies). The thrust of the project's outputs will also promote some of the objectives of the Programmes of Work in the areas of Reforestation and Forest Management and Forest Industry, as set out in the ITTO Action Plan.

The project's objectives are consistent with and will contribute directly to the attainment of the ITTO Year 2000 Objective. The project meets Objectives (a), (b), (c), (d) and (g) of Article 1 of the ITTA, 1983.

Comments of the Expert Panel

The Panel recognized the importance of the project for improving data collection and market information on forestry and timber trade in Congo. Such an objective is relevant to ITTO's objectives and the core priorities of its Action Plan. However, the project proposal had not been formulated in accordance with the format required in the ITTO Project Formulation Manual. The Panel further felt that the proposal itself had not been fully thought through and needed reformulation to address the requirements for data collection and processing.

Recommendations

The Panel recommended that as a start a pre-project should instead be formulated in accordance with document PCM(XIV)/6 (Elements for Preparing and Assessing Project Proposals on Statistical Information Systems). The pre-project should provide for the recruitment of an international consultant who shall assist in:

- (i) Analysis of current forestry and timber trade data compilation, processing and dissemination in Congo, including all relevant activities undertaken or underway;
- (ii) Identification weaknesses and immediate requirements for improvements in Congo's statistical system;
- (iii) Development of a project proposal, following the ITTO format, designed to create a forestry and timber trade statistical service in Congo on a sustainable basis.

It is envisaged that work on such a pre-project should be of two to three months' duration, with a budget of around \$50,000.

Conclusion

The Panel concluded that a pre-project incorporating the aforementioned recommendations be formulated for the appraisal and consideration of the Committee.

### Assessment by the Committee

The Committee decided to recommend the revised pre-project submitted in keeping with the conclusion of the Ninth Expert Panel [PPD 7/95 (M)] for approval and financing.

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

This pre-project proposes to study the possibility of promoting and developing among the native communities the utilization of Guadua sarcocarpa a bamboo that is the predominant species in an area of some 1,603,300 ha. in the southeastern region of Peru. Currently this species is considered a hindrance by the local populations and is burnt by them in their effort to establish new agricultural land. INRENA, however, considers that the "Paca", due to its similarity to bamboo, can be economically utilized for a variety of purposes, just as the uses of bamboo in Asia, especially in China, where some interesting and instructive techniques for the utilization of bamboo have been developed, as demonstrated in the findings of the final report of PD 124/91 Rev.1 (M) "Study on the Substitution of Bamboo for Tropical Timber as Raw Materials in China".

The main objective of the pre-project is subsequently to formulate a project proposal, jointly with experts from ITTO member countries where such bamboo-utilizing techniques have been developed, in order to promote the utilization of "Paca" (Guadua sarcocarpa) in Peru as a contribution to the livelihood of the local populations and to the conservation of the biodiversity of such ecosystems.

The outputs of the project meet the objectives outlined under EIMI Programme Area 4 (Situation, Trends and Prospects Studies). The thrust of the project's outputs will also promote some of the objectives of the Programme of Work in the areas of Reforestation and Forest Management and Forest Industry, as set out in the ITTO Action Plan. The project's objectives are consistent with and will directly contribute to the achievement of the ITTO Year 2000 Objective. The pre-project also meets Objectives (a), (b), (c), (d) and (g) of Article 1 of the ITTA, 1983.

### Comments and Recommendations of the Expert Panel

The Panel noted that the pre-project proposal had been formulated in accordance with ITTO format with clearly set-out objectives. Whilst it felt that this proposal could not be categorized as a priority for ITTO, it decided to defer a decision as to its relevance to the Committee. It recognized that the pre-project might offer scope for developing a market for Guadua sarcocarpa by providing a fresh insight into the potential uses of this bamboo species. The Panel recommended that:

- (i) Only one international expert be retained and the budget reduced accordingly;
- (ii) A detailed budget by activity be prepared, including ITTO programme support costs of 5.5%;
- (iii) More background information on Paca should be given, including previous research on this species which is known to exist;
- (iv) Information should be forwarded on any other related activities, including details of donors and/or implementing organizations;
- (v) The pre-project output be revised to include a report on potential uses of Paca, and this should accordingly be written into the specific objective of the proposal.

### Conclusion

The Panel concluded that, with the incorporation of the above essential modifications, which are necessary for the pre-project to succeed, the pre-project should be commended to the Permanent Committee for final appraisal.

### Assessment by the Committee

The Committee decided to recommend the revised pre-project [PPD 4/95 Rev.1] for approval and financing.

## 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	GEOGRAPHIC COVERAGE	RECOMMENDATION (*)
		Art.23 Para.2	Art.23 Para.5	Art.23 Para.6				
PD 43/94 Rev.1 (M)	b,c,d,f		a,b,c,d,e		477,968	2 years	Europe	2
PD 50/94 Rev.2 (M,I)	b,c,d,g		a		582,360	1.5 years	Global	4
PD 1/95 Rev.2 (M)	b,d,f,g,h		a,b,c,d,e		672,774	2 years	Indonesia	2
PPD 4/95 Rev.1 (M)	a,c,e,f,h		a,b,c,e		40,100	3 months	Peru	4
PPD 7/95 (M)	e,d,f,h		a,b,c,d,e		64,500	3 months	Congo	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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## APPENDIX B

### ITTO ANNUAL MARKET DISCUSSION - ACCRA, GHANA, 11-12 MAY 1995 "SUBSTITUTION AS IT AFFECTS THE INTERNATIONAL TROPICAL TIMBER TRADE"

#### Market Statement

Members and observers attending the 18th Sessions of the International Tropical Timber Council met for two days to discuss recent trends in tropical timber markets with an emphasis on the issue of substitution. This statement presents a brief synthesis of the key points raised during the Discussion on the topic of substitution as it affects the international tropical timber trade.

Perspectives on the theme of substitution were provided for South East Asia, North America, Malaysia, Japan, Africa, Europe and Latin America. An overview of South East Asia compared a projected decline in tropical log harvests with forecasts of a 65 percent increase in potential demand by the year 2010. It is estimated that economic development in the region will create a potential demand gap of 75 million cubic meters of saw/veneer log material relative to what can be supplied under sustainable management.

This gap may be filled by improving wood recovery in the forest and in processing, utilising more softwoods, putting greater reliance on plantation grown material - including rubberwood, seeking softwood and tropical hardwood supplies from outside the region, and the use of non-timber products. In terms of softwood resources, it is not yet clear what long term contribution Russia may make in providing additional wood products to countries in the Asia-Pacific region.

Increased reliance on newer products is evident with major extension and substitution in the wood panel sector, leading from more limited prospects of expansion in plywood production, into reconstituted boards including particle board, medium density fibreboard (MDF) and oriented strand board (OSB), and, possibly, non-timber panels. Traditional sawnwood will also be replaced to some extent by reconstituted sawnwood products and MDF.

New timber products can be linked with new techniques in building and furniture making. The sawn timber industry has evolved techniques of finger jointing, edge jointing and laminating which can offer increased strength and which are finding places in the design of structures and of furniture. These better products and improved building designs will lead to a reduction in the amount of wood required for some applications. The scope for product evolution offers considerable opportunities to the tropical forest products industry but requires significant new investment in these new types of plants.

In North America tropical hardwoods retain a place in the market because of their technical and aesthetic qualities but some substitution does take place. In some cases, surface treatments enable domestic timbers to be given the appearance of tropical species. Supply problems affecting a single tropical species can sometimes be overcome by the availability of an alternative tropical wood. It was noted that erratic supply and radical price increases can drive buyers to seek substitutes for tropical wood, some of which may remain permanent irrespective of any price reversal. There is substantial substitution by non-timber products including the use of aluminium and PVC in window frames, the manufacture of concrete railway sleepers, and the partial displacement of hardwood mouldings by PVC, MDF and plantation pine. The U.S.A. is also producing increasing quantities of laminated veneer lumber (LVL) which will, in some cases, substitute for sawnwood. Plywood in the U.S.A. continues to be vulnerable to substitution by reconstituted panels. The potential for substitution of domestic American wood by tropical hardwoods is due to increased environmental restrictions on North American forests. A key element in any substitution situation is price elasticity. There are for each area or product price levels, whether arrived at rapidly or slowly, beyond which market shrinkage takes effect.

Typical of a number of countries in South East Asia, Malaysia is experiencing a sustained upsurge in its domestic construction and housing sector which has led to an increased demand for wood. Between 60 and 70 percent of domestic sawnwood goes into this sector. Shortages of sawnwood supplies coupled with high prices have created conditions for substitution.

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Changes in building techniques have caused the specifying of concrete foundations rather than wood piles, greater reliance on steel for structural work and widespread adoption of steel scaffolding. There is a shift towards concrete railway sleepers and more reliance on metal for electricity and telephone poles. Non-timber products are sometimes preferred because of prompt reliable delivery. Malaysia follows the widespread trend to increased use of reconstituted wood panels including the manufacture of MDF from rubberwood. It is also using increasing quantities of gypsum plaster board.

Japan is now importing wood products from a wider range of tropical and non-tropical sources. Imports of South Sea logs have declined. There is increased interest in the import of processed rather than unprocessed wood including reconstituted panels. More plaster board is being produced and imported. Traditional practices of making furniture with hollow panel construction are being replaced by the use of MDF and particle board. In an endeavour to avoid competition with imported plywood, Japanese manufacturers have been showing more interest in composite wood panels for specific end uses. Plywood manufacturers are also using more softwood, and some relocation of processing capacity has been occurring.

In Africa there is anxiety that environmental groups campaigning against the use of tropical wood are creating the conditions for unequitable substitution and further erosion of its already small market share. Concern was expressed that the listing of timber species in the Appendices of CITES can have negative effects that expedite substitution of tropical timbers.

For overseas markets some African species have properties which make them particularly useful and which are not found in non-tropical species. Such characteristics include strength, natural durability, stability and decorative appearance. Nevertheless plastics have affected the use of timber in window frames. In boat building, both sawnwood and marine grade plywood have been extensively replaced by fibreglass. African markets for wood are, however, continually expanding. Continuing and increased development assistance is needed to increase African capacity in value-added timber products and to enable such products to meet European market requirements.

The trend of tropical timber imports by Western Europe has been mostly downward in recent years. Economic conditions have depressed demand and environmental concerns have also had a negative impact. Tropical sawnwood has experienced strong competition from aluminium, PVC and non-tropical wood. Plywood has been more successful in retaining market acceptance. A basic influence on the demand for tropical wood is a competitive and stable price. In 1992-93 the prices of tropical wood rose steeply led by meranti and this caused some buyers to turn to other wood or other materials. Prices should be competitive enough to counter attacks on market share from substitutes while on the other hand allowing for reasonable prices for tropical timber species from other regions. Due to environmental concern, however, there has been a restriction placed on the use of PVC window frames in public construction in some parts of Germany, which could lead to improved opportunities for timber. European imports of further processed tropical timber products have also been increasing in recent years.

The substitution of tropical timber by plastic, aluminium or non-tropical timber is a matter of great concern to Brazil and other Latin American producing countries as it is felt that this will reduce the economic viability of sustainable timber production. Some producer countries believe that this type of substitution should also be a matter of concern to developed countries, and also believe that these products have a severe impact on the environment. The lack of adequate technology to produce new and value-added products is also impeding more efficient utilization of forest resources in developing countries. The Brazilian Government has created a working group to study the problems related to mahogany in order to formulate more adequate national policies for this species. Another cause of concern is the attempt to impose certification only for tropical timber which would reduce the competitiveness of tropical timber in relation to other products. Brazil is now selling a wide range of its tropical species in the international market, notably in the Asia-Pacific region.

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Accra, Ghana

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
SIXTEENTH SESSION OF THE PERMANENT COMMITTEE ON  
REFORESTATION AND FOREST MANAGEMENT  
10 - 18 MAY 1995

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Report

Appendix I

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1. **Introduction**

The Sixteenth Session of the Committee was opened, on 10 May 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 10 May 1995, the Committee formally adopted the Agenda of its Sixteenth Session as contained in Document PCF(XVI)/1.

3. **Admission of Observers**

A list of observers admitted by the Committee to attend its Sixteenth Session is contained in Document ITTC(XVIII)/Info.3 and ITTC(XVIII)/Info.3 Add.1

4. **Market Discussions (Joint Session of the Committees)**

The Market Discussions were held on 11 and 12 May 1995 under the Chairmanship of Dr. Achmad Sumitro (Indonesia), Vice-Chairman of the Permanent Committee of Economic Information and Market Intelligence.

The Discussions were focussed on:

Part I Host Country Presentation

Part II The 1995 Market Discussion Focused on "Substitution as it Affects the International Tropical Timber Trade"

The report of the discussions are available in Document PCM (XVI)/9, Appendix B.

5. **Report on Completed Projects**

The Secretariat explained that the projects listed in Document PCF(XVI)/3 and its addendum PCF(XVI)/3/Add.1, 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(XVI)/3 and its Addendum PCF(XVI)/3/Add.1.

- (1) PD 74/90 (F,I) **Better Utilization of Tropical Timber Resources in Order to Improve Sustainability and Reduce Negative Ecological Impacts**

The Committee noted that project activities have been completed and the Implementing Agency briefed the Committee on the conduct and outcome of the project during its Fifteenth Session in November 1994 in Yokohama. A Summary of a draft final report of the project was also circulated during that Session as PCF(XV)/26. The Committee noted that the submission of the final report is pending the receipt and incorporation of the country report of one of the participating countries. As soon as the final report and the audited financial report have been submitted to and accepted by the Secretariat, this project will be closed.



- (2) PD 75/90 (F) **Development of Genetic Resistance in the Tropical Hardwood Iroko to the Damaging Insect Pest: Phytolyma lata**

The Committee noted that project activities have been completed and the Completion Report had been submitted and was circulated as PCF(XVI)/14. The audited financial report was being prepared by the Executing Agency and would be sent to the Secretariat in the near future. As soon as the audited financial report has been submitted to and accepted by the Secretariat, this project will be closed.

- (3) PD 84/90 (F) **The Establishment of a Demonstration Plot for Rehabilitation of Forests Affected by Fire in East Kalimantan [Phase II of PD 17/87 (F)]**

The Committee noted that the Final Report of the Project had been circulated as PCF (XVI)/12. 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.

- (4) PD 114/90 (F) **Workshop on Conservation and Sustainable Utilization of Mangrove Forests in Latin America and Africa Regions**

The Committee noted that project activities had been completed and the audited financial report had been submitted and accepted by the Secretariat. This project is therefore closed.

- (5) PD 119/91 Rev.1 (F) **Workshop on Women and Forestry - A Look at African Experiences**

The Committee noted that the English version of the proceedings had been published and the French and Spanish versions are being printed. The committee also took note that the audited financial report has been submitted to and accepted by the Secretariat. As soon as the French and Spanish versions of the publication have been received by the Secretariat, this project will be closed.

- (6) PD 132/91 Rev.1 (F) **Training Forestry Workers in Carrying out Certain Tasks Related to Forestry**

The Committee was informed that project activities had been completed as the final report and the audited financial report of the project had been submitted to and accepted by the Secretariat. This project is therefore closed.

- (7) PD 148/91 Rev.3 (M,F,I) **Seminar on Economic Case for Sustainable Tropical Forest Management**

The Committee noted that the English version of the proceedings had been published and the French version is being printed. As soon as the French version of the publication has been received by the Secretariat, this project will be closed.

- (8) PD 184/91 Rev.1 (F) **Multipurpose Tree Planting in Egypt**

The Committee took note that the Final Report of this project has been submitted by the Executing Agency and was circulated as PCF(XVI)/10a, and that the audited financial report had been received and accepted by the Secretariat. This project is therefore closed.

**(9) PD 29/94 Rev.2 (F) Seminar and Study Tour on Biodiversity Conservation in Natural Forests in Miyazaki**

The Committee took note that the Final Report of this project has been submitted by the Executing Agency and was circulated as PCF(XVI)/11. The audited financial report was being prepared by the Executing Agency and would be sent to the Secretariat in the near future. As soon as the audited financial report has been submitted to and accepted by the Secretariat, this project will be closed.

**6. Report on Completed Pre-Projects**

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

The Committee took note that the final report and the audited financial report of Pre-project PPD 6/92 Rev.1 (F) "Study for the Stratification of the First Forest Zone of Gabon for the Purpose of Forest Management" had been received and accepted by Secretariat. This pre-project is therefore closed.

The Committee noted that the activities of Pre-project "Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forests" will be completed with the publication of the French and Spanish versions of the Document by mid-June 1995. As soon as these publications are completed and the audited financial report submitted by IUCN is reviewed and accepted by the Secretariat, the pre-project will be closed.

**7. Review of Project Work in Progress**

The Committee took note of a status report (Document PCF(XVI)/5) by the Secretariat on the 66 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, b) awaiting the signing of an Agreement, c) not yet fully financed, or d) coming under the sunset provisions since last Session.

**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 88/90 Rev.1 (F) Sustainable Selective Harvesting of Mahogany in Bolivia
- 6) PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia - Phase I
- 7) PD 95/90 (F) Forest Management in the Alexander von Humboldt National Forest, Phase I, II, and III
- 8) PD 99/90 Rev. 1 (F) Establishment of Rio Preto National Forest

- 9) PD 103/90 Rev. 1 (F) Training and Manpower Development in Community Forestry Management
- 10) PD 104/90 Rev. 2 (F) Studies of the Management Standards of Hill Dipterocarp Forest in Sarawak from a Watershed Management Point of View
- 11) PD 105/90 Rev. 1 (F) Model Forest Management Areas
- 12) PD 106/90 Rev.1 (F) Development of the Lanjak Entimau Wildlife Sanctuary as a Totally Protected Area - Phase I
- 13) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forests
- 14) PD 120/91 Rev.4 (F,I) Development of Operational Model for Sustainable Management of Natural Tropical Forests
- 15) PD 128/91 Rev.1 (F) Management, Conservation and Development of Mangrove Forests in Panama
- 16) PD 130/91 Rev.2 (F) Plantation Establishment Methods (First Phase)
- 17) PD 131/91 Rev.2 (F) Pilot Project for the Sustained Management of the So'olala Forest
- 18) PD 162/91 Rev.1 (F) Intensification of Growth and Yield Studies in Previously Logged Forests
- 19) PD 171/91 Rev.2 (F) Conservation and Management for Multiple Use and development of Colombian Mangrove Swamps - Phase I
- 20) PD 172/91 Rev.2 (F) The Recovery of Natural Systems of the Hillsides of Caqueta - Phase I
- 21) PD 176/91 Rev.1 (F) Sustained Management for Production, Conservation, Demonstration, Diffusion and promotion Activities In Moist Tropical Forests in Ecuador's Northwest
- 22) PD 185/91 Rev.2 (F) Sustainable Forest Management and Development in Peninsular Malaysia - Phase I
- 23) PD 186/91 Rev.2 (F) Tree Flora of Sabah and Sarawak
- 24) PD 202/91 Rev.1 (F) Sustainable Forest Management Through Collaborative Efforts
- 25) 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)
- 26) PD 8/92 Rev.2 (F) Study on the Growth of Native Species of Commercial Interest in Honduras
- 27) PD 9/92 Rev.1 (F) Forest Management in Islas de la Bahia, Honduras, Central America
- 28) PD 10/92 Rev.1 (F) Books and a Data-Base on the Major and Minor Commercial Timbers of South-East Asia Volume 5(1) and Volume 5(2) within the Prosea Program
- 29) PD 11/92 Rev.1 (F) Development and Dissemination of Re-forestation Techniques of Mangrove Forests

- 30) 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
- 31) PD 26/92 Rev.2 (F,I) Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon
- 32) PD 37/92 Rev.1 (F) Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest
- 33) PD 39/92 Rev.1 (F) Dissemination and Training on ITTO Guidelines and Criteria
- 34) PD 42/92 Rev.1 (F) Reforestation and Sustainable Management and Utilization in the Natural Cloud Forests of Jaen-San Ignacio - Phase I
- 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 24/93 Rev.2 (F) Forest Management of Natural Forest in Malaysia - Phase II
- 40) PD 25/93 Rev.1 (F) Evaluation of Progress Made by Ecuador Towards Achievement of ITTO Target 2000
- 41) PD 26/93 Rev.1 (F) Development of Bentuang Karimun Nature Reserve as National Park - Phase I
- 42) PD 32/93 Rev.2 (F) Rehabilitation of Logged-over Forests in Asia/Pacific Region (Sub-Project III)
- 43) PD 33/93 Rev.1 (F) Conservation, Management, Harvesting and Integrated and Sustained Use of Forests in the Chimanes Region, Beni, Bolivia - Phases I
- 44) PD 35/93 Rev.4 (F) Forestry Management, Community Development and Sustained Use of Forest on the Punta Patiño Nature Reserve, Darien Region, Republic of Panama - Phase I
- 45) PD 36/93 Rev.1 (F) Securing the Implementation of Improved and/or New Established Nurseries in Egypt
- 46) PD 16/94 Rev.2 (F) Reforestation for Production of Valuable Timber and Non-timber Products
- 47) PD 18/94 Rev. 1(F) Participatory Forest Development in the Alto Mayo Region for the Sustainable Management of Moist Tropical Forest - Phase I
- 48) PD 27/94 Rev.2 (F) Women and Tropical Forest Development Program

**B) *Projects awaiting implementation agreement***

- 1) PD 18/92 Rev.2 (F) Determination of a Forest Typology Related to Silvicultural Systems
- 2) PD 2/93 Rev.1 (F) Integrated Pilot Management of the Ngoua II Forest-North - Phase I: Preparation of the management Plan
- 3) PD 4/94 Rev.3 (F) East New Britain Balsa Industry Strengthening Project
- 4) 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

**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 3/93 Rev.1 (F) Management and Conservation of the Forest of Bangou - Phase I: Development of the Management Plan
- 3) PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guidelines on the Protection of Tropical Forests Against Fire
- 4) PD 21/93 Rev.2 (F) Forest and Farmers: Sustainable Coexistence ( Phase I & II)
- 5) PD 22/93 Rev.4 (F) Forest Management, Community Participation and Sustainable Utilization in Si-Kop Forest Area, Coastal Province, Cameroon
- 6) PD 37/93 Rev.1 (F) Silvicultural Management in the Forests of Bajo San Juan
- 7) PD 40/93 Rev.1 (F) Improvement of Data Collecting, Processing and Application Techniques for Sustainable Forest Management
- 8) PD 2/94 Rev.2 (F) Dissemination of Silvicultural Experiences with Promising Forest Species in the Peruvian Amazon Region
- 9) PD 8/94 Rev.2 (F) Evergreen Club of Ghana/ITTO Youth in Forestry Project
- 10) PD 23/94 Rev.1 (F) Rehabilitation of Fire Affected Forests in East Kalimantan
- 11) 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
- 12) PD 28/94 Rev.1 (F) Continuation of the Publication of the Journal "Bosques y Desarrollo" and Information Services

**D) *Projects coming under the sunset provisions since last Session***

- 1) PD 48/92 Rev.1 (F) Biotechnological Development Using Forest Species in the Zulia Basin, Municipality of Zulia, North Santander Department, Cimitarigua Community

- 2) PD 49/92 Rev.3 (F) Biological Control of Pathogenic Micro-Organisms in Forest Plantations of the Pamplonita and Arauca Basins, North Santander Department, Negavita Community
- 3) PD 50/92 Rev.3 (F) Conservation and Integrated Development in the La Macarena Special Management Area

The Committee noted the reports on the progress of these projects in Document PCF (XVI)/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 noted the update made by the Executing Agency on progress in the implementation of the project. The Committee underscored the necessity for Executing Agencies to submit their progress reports on time in order to allow the Secretariat to present an updated report to the Committee.

- 2) PD 68/89 Rev.1 (F) **Management of Tapajòs National Forest for Sustainable Production of Industrial Timber**

The Committee noted that the disbursement of the second installment of funds is pending the completion of arrangements concerning the administration of project funds. The situation will be closely followed up by the Delegations of Brazil and the U.K., so as to enable an early disbursement of funds and a smooth continuation of project activities.

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

The Indonesian Delegation provided the Committee with additional information on the recent progress of the project concerning human resources development. Progress of this project was noted by the Committee.

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

The Committee accepted the final report for the first phase of this project reproduced as PCF(XVI)/19 and distributed during this session.

- 5) PD 128/91 Rev.1 (F) **Management, Conservation and Development of Mangrove Forests in Panama**

The Committee noted the progress achieved in project implementation and decided to approve an extension of the project for a period of one year until September 1996, without additional funds, to allow the completion of project activities.

- 6) PD 130/91 Rev.2 (F) **Plantation Establishment Methods (First Phase)**

The Secretariat informed the Committee on the addendum to the Project Document pertaining to modifications of budgetline items based on the recommendations of the Planning Workshop held in Manila in April 1994 had been distributed as document PCF(XVI)/15 . The Committee approved the modified budget outlined in PCF (XVI)/15.

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

The Committee noted that project activities related to forest management had been substantially delayed because the procedures for the selection of a forest concessionaire have not yet been finalized. The Committee was given clarification by the Executing Agency that the delay was caused by current changes in national forest policies and regulations. However potential candidates have been identified and the selection of the forest concessionaire will be finalized soon so that more progress in forest management activities will be reported during the next meeting of the Committee.

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

The Committee considered the progress achieved to date and noted that the final report and audited financial statement will be submitted to the Secretariat prior to the next Committee session.

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

The Secretariat informed the Committee of the suggested changes in project design as circulated in document PCF(XVI)/13 submitted by the Government of Thailand. The Thai Delegation explained that the changes will not affect the project output and the project's total budget. The Committee agreed upon the modification as contained in document PCF(XVI)/13 pending further consultations with the Government of the Netherlands which will be finalized shortly.

**10) 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)**

The Committee was informed that the project experienced some delay during its outset because of the time allocated to an international consultant to help clarify the features of the studies that should be carried out by the project, and the lengthy procedures to select key project personnel. However project activities are now progressing satisfactorily and should be completed by August 1995. The Committee accepted to grant an extension of six months to the project until November 1995 in order to allow the completion of the remaining project activities and the submission of the final reports of the project.

**11) 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**

The Secretariat informed the Committee about the midterm evaluation of the project undertaken by an independent consultant as circulated in document PCF (XVI)/17. The Chinese Delegation brought the Committee up to date on recent developments regarding project implementation. The Committee noted that the project is progressing towards finalization of its Phase I and noted the request by the Chinese Delegation on the importance of financing Phase II.

**12) PD 42/92 Rev.1 (F) Reforestation and Sustainable Management and Utilization in the Natural Cloud Forests of Jaen-San Ignacio**

The Committee accepted the final report for the first phase of this project reproduced as PCF(XVI)/20 and distributed during this session. The Committee endorsed the request from the implementing agency to utilize the contingency funds remaining from the first phase to partly finance the transition period between phases until new funds are allocated for phase II of the project.

**13) PD 3/93 Rev.1 (F) Management and Conservation of the Forest of Bangou - Phase I: Development of the Management Plan**

The Committee noted that the revised proposal was submitted by the Government of Congo before the end of the period of validity . This resubmission is in conformity with ITTC Decision 2 (X) Annex 2 Paragraph 2 concerning the sunset provisions. The Committee also accepted the explanation provided by the Congolese Delegation on the changes that have been made in the revised proposal. The Congolese Delegation also indicated that additional changes are envisioned in the revised proposal and suggested that the latter should be included in the next project cycle in order to allow its appraisal by the Experts Panel. The Committee endorsed that suggestion and requested the Secretariat to include the project in the next project cycle.

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

The Representative of the Common Fund for Commodities expressed interest on this project and stressed that experience generated from the project can also be shared in the region. Following consultations among the delegations from Indonesia, Japan and the Representative of the Common Fund for Commodities, a revised budget of the Project was submitted to the Committee by Indonesian Delegation. The Committee approved the revised budget as contained in document (PCF(XVI)/21).

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

The Indonesian Delegation reported to the Committee on recent initiatives taken in order to start the implementation of the project. The Secretariat is requested to arrange direct financial transfer from the project fund to the consultant to be appointed by the Implementing Agency. The Committee took note of the work in progress and requested the Secretariat to follow up further arrangements with the Implementing Agency.

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

The Malaysian Delegation reported to the Committee on recent developments in project implementation. The Swiss Delegation expressed concern on the progress of the project particularly regarding the delay in initiation of certain components, such as the refinement of guidelines and training activities. The Committee requested an informal group composed of Switzerland, Japan, Malaysia and the Secretariat consult on these issues. The informal group met on 15 May 1995 and generated technical input to assist the implementing Agency to strengthen project implementation.

**17) PD 33/93 Rev.1 (F) Conservation, Management, Harvesting and Integrated and Sustained Use of Forests in the Chimanes Region, Beni, Bolivia**

The Committee stressed that this project was a follow-up of the previously completed project PD 34/88 Rev.1 (F,I) implemented in the Chimanes Region. The Committee also noted that several countries expressed concern regarding the project's consultation mechanisms with the indigenous groups, the delimitation procedures of indigenous territories, the possible overexploitation of the area's forests and the illegal logging activities occurring within it. It also suggested that any constraints that may hamper the proper implementation of the project should be referred to in the project's progress report.



The delegate from Bolivia mentioned that the issues raised are also of great concern to the Bolivian Government. The area is very large and infrastructure is limited. This makes it difficult to control all activities and verify all rumours. The Bolivian Government is doing all it can to implement the project in an efficient manner. He informed the Committee that 70,000 ha of indigenous territories belonging to collaborating ethnic groups are part of the project area. However, some or all of the alleged activities may take place in the region surrounding the project area. He also stressed that native groups are autonomous within their indigenous territories and that this project cannot enforce any type of control there as it has no jurisdiction in these areas. He also reminded the donor countries that, as members of the Project's Steering Committee, they are more than welcome to visit the project site.

The Bolivian delegate invited the ITTO Secretariat and the donor countries to send representatives to the official opening ceremony of the project and the Steering Committee's first meeting slated to take place sometime during the next three months.

#### **8. Review of Pre-Project Work in Progress**

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

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

##### **1) Coordinated Natural Forest Management and Sustainable Rural Development in Areas Adjoining Sapo National Park, Liberia**

The Committee acknowledged the declaration made by the Liberian Delegation indicating that the pre-project site is still not safe to initiate pre-project activities. An appeal was also made by the Liberian Delegation to ITTO to support other projects submitted by the Government of Liberia and which do not present any particular risk, such as a project recently submitted on institutional strengthening of the Forestry Administration.

##### **2) PPD 5/93 Rev. 1 (F) Preparation of an Integrated Management Plan No.1 of the Kuna Yala Indian Region**

The Committee noted the progress achieved in pre-project implementation and decided to approve minor budgetary amendments and an extension of the project for a period of three months until June 1995, without additional funds, to allow the completion of pre-project activities.

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

The Secretariat reported to the Committee on the work of the consultancy to initiate this Pre-project, as well as to the outcome of the deliberations of the Expert Panel Meeting organized in Jakarta from 6 to 10 March 1995. The draft guidelines formulated by the Expert Panel was tabled for the consideration of the Committee (Document PCF(XVI)/8).

The Brazilian Delegation expressed concern on the inadequacy of the draft guidelines, particularly the references to certain policy issues, incentive systems, emission of CO<sub>2</sub> from tropical forests, etc. Moreover, the Brazilian Delegation expressed the view that the text is too lengthy, ambiguous and repetitive, and therefore, much work still remains to be done before the guidelines could be finalized. The Committee decided that the discussion on the guidelines be carried forward to the next Committee Session in Yokohama in November 1995, and in the mean time, requested Member Countries to submit written comments to the Secretariat. The Secretariat will compile such comments and distribute them to Member countries for further consideration at its next Session.

4) PPD 12/93 **Biotechnology and Sustainable Production of Tropical Timber**

The Committee was given a presentation by Dr. Russell Haines, one of the two consultants hired to conduct the desk study on Biotechnology and Sustainable Production of Tropical Timber. The Committee noted that a great deal of information was provided on this complex subject.

It was however also noted that the format of the report submitted by the Consultant did not exactly follow the outline of the study that was approved by the Committee during its Fifteenth Session which was forwarded to the consultant. It was also mentioned that there was insufficient information in the report on biotechnology applications on a worldwide basis and that the state of art in research and the review of plantation activities at operational scale in developed regions were not adequately discussed. Furthermore, the report included some subjective and contentious statements and considerations not within scope of the study.

The Committee urged Member Countries to continue the review of the report and submit their comments to the Secretariat, in order to help the consultant to make necessary revisions. This will enable an amended version to be submitted to members for consideration at the Seventeenth Session of the Committee.

9. **Consideration of Project Proposals**

Seventeen project proposals entered the project cycle leading up to the Sixteenth 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**

<b>Project Number</b>	<b>Country</b>	<b>Project Title</b>
<i>Projects Assessed by the Committee</i>		
PD 32/94 Rev.1 (F)	PANAMA	Sustainable Forest Management Demonstration Project in the Natural Forests of the Donoso District
PD 2/95 (F,I)	INDONESIA	Book and Databank on the Lesser-Known Timbers of South-East Asia: Volume 5(3) within the PROSEA Programme
PD 3/95 (F)	GHANA	Genetic Resistance in Iroko to <u>Phytolyra lata</u> - Phase II - Sustainable Tropical Forest Establishment
PD 8/95 (F)	GABON	Multiple Resource Stratification, Mapping and Inventory for the Management of the First Forest Zone in Gabon
PD 9/95 (F)	PERU	Reforestation Using High-Value Tropical Species in Agroforestry Systems of the Province of Tambopata
PD 16/95 Rev.1 (F)	INDONESIA	Forest Health Monitoring to Monitor the Sustainability of Indonesian Tropical Rain Forests

Project Number	Country	Project Title
<b><i>Projects not Assessed by the Committee</i></b>		
PD 42/94 Rev.2 (F)	PERU	Forest Management in the Yarina Community Forest, Iquitos
PD 4/95 (F)	PANAMA	Sustainable Seedling Production for the Reforestation and Management of the Rio Cocle Watershed
PD 5/95 (F)	PANAMA	Toward Target 2000: A Country-Wide Forestry Management Survey with Sustainable Development Implications
PD 6/95 (F)	PANAMA	Diagnosis of the Actual Forest Production in the Province of the Darien within a Framework of Sustainable Forest Resource Management and Conservation
PD 7/95 (F)	PANAMA	Establishing a Scientific Forestry Station/Environmental Center and Forestry Dynamics Plot within the Darien National Park Forest Zone in Gabon
PD 10/95 (F)	GABON	Establishment of Conservatory Plantations of Heavily Exploited Valuable Timber Species in Gabon
PD 11/95 (F)	GABON	Management Plan and Rehabilitation of Evaro-Wombolie Forest Reserve in Gabon
PD 12/95 (F)	GABON	Protection and Restoration of Biodiversity in Zilé Natural Forest, Gabon
PD 14/95 (F)	Malaysia	Model Forest Management Area - Phase II
PD 15/95 (F)	Malaysia	Development of the Lanjak Entimau Wildlife Sanctuary (LEWS) as a Totally Protected Area (TPA) - Phase II
PD 17/95 (F)	Japan	Mangrove Resource Database and Information System

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 14 below.

#### **10. Consideration on Pre-project Proposals**

The Committee noted that two Pre-projects were evaluated by the Ninth Expert Panel.

PPD 8/94 Rev.1 (F)	Ecuador	Diagnosis and Design of a Support Program for PLANFOR
PPD 6/95 (F)	Panama	Sustainable Forest Management Demonstration Project in the Natural Forests of the Donoso District

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 14 below.

**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. Dates and Venue of the Seventeenth Session**

The Committee decided that the dates and venue of its Seventeenth Session will be agreed upon by ITTC in relation to the dates and venue fixed for its Nineteenth Session.

**13. Any Other Business**

**A) *Unfunded Projects***

The Committee noted with concern the number 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. These are:

- 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 3/93 Rev.1 (F) Management and Conservation of the Forest of Bangou - Phase I: Development of the Management Plan
- 3) PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guidelines on the Protection of Tropical Forests Against Fire
- 4) PD 21/93 Rev.2 (F) Forest and Farmers: Sustainable Coexistence ( Phase I & II)
- 5) PD 22/93 Rev.4 (F) Forest Management, Community Participation and Sustainable Utilization in Si-Kop Forest Area, Coastal Province, Cameroon
- 6) PD 37/93 Rev.1 (F) Silvicultural Management in the Forests of Bajo San Juan
- 7) PD 40/93 Rev.1 (F) Improvement of Data Collecting, Processing and Application Techniques for Sustainable Forest Management
- 8) PD 2/94 Rev.2 (F) Dissemination of Silvicultural Experiences with Promising Forest Species in the Peruvian Amazon Region
- 9) PD 8/94 Rev.2 (F) Evergreen Club of Ghana/ITTO Youth in Forestry Project
- 10) PD 23/94 Rev.1 (F) Rehabilitation of Fire Affected Forests in East Kalimantan
- 11) 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
- 12) PD 28/94 Rev.1 (F) Continuation of the Publication of the Journal "Bosques y Desarrollo" and Information Services

**B) 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(XVI)/7.

**C) Organization of Committee's Work**

The Committee discussed the current organization of its activities during Sessions in order to increase efficiency. The Committee emphasized that a good allocation of time should make its deliberations more efficient and meaningful and such an approach may even lead to economies of time. In particular it was noted that reports on projects and pre-projects in progress take more time than necessary, while discussions on new projects and pre-projects proposals and on strategies and policy issues in general deserve more attention. As to completed projects it was noted that it may be useful to fully discuss project results and the experiences gained from project implementation within a group of interested parties. Some thought could also be given to the way the final reports are distributed. As to the reporting on projects in progress the Committee considered the desirability of an overview being presented in a tabular form. The Committee further agreed that this matter be discussed jointly by the Permanent Committees at the next Session. It suggested that the Secretariat present an example table to determine the utility of such an approach.

In general the Committee recognized that the management of its work could be improved and agreed to have further discussion at the next Session of the Permanent Committees. This could possibly lead to practical steps to facilitate the work of the Committee. However in the meantime, the Committee decided to urge Member Countries to submit comments and recommendations regarding the improvement of the efficiency of Committee meetings and to request the Secretariat to compile the written contributions received from Member countries to facilitate further consideration at its next Session.

**D) Review of the Project Cycle**

Committee Members expressed concern over the excessive duration of time between project submission and the time when it is finally approved and financed. By that time the situation that has justified the submission of the project may have changed significantly and the design of the project may also become inconsistent with the new situation. The Committee recognized that discussion should be initiated on this matter, with an expected strong contribution from Producing Member Countries in order to overcome this problem. Some delegations mentioned that one option could be to hire a consultant to review the project cycle in order to make it more efficient. However in the meantime the Committee urged Members to submit their ideas to the Secretariat in connection with this matter.

**14. Recommendations to the International Tropical Timber Council**

The Committee made the following recommendations:

1. The Committee recommended that the Council approve PD 2/95 Rev.1 (F) and allocate a total of \$ 996,448 for its implementation.
2. The Committee recommended that the Council approve PD 3/95 Rev.2 (F) "Conservation and Provenance Plantings and Integrated Pest Management to Sustain Iroko Production in West Africa" and allocate \$ 668,891 for its implementation.
3. The Committee recommended that the Council approve PD 8/95 Rev.1 (F) and allocate \$ 1,252,475 for its implementation.
4. The Committee recommended that the Council approve PD 9/95 Rev.1 (F) and allocate \$ 704,503 for its implementation.

5. The Committee recommended that the Council approve PD 16/95 Rev.2 (F) and allocate \$ 456,989 for its implementation.
6. The Committee recommended that the Council approve PPD 8/94 Rev.1 (F) and allocate \$ 154,821 for its implementation.
7. The Committee recommended that the Council approve PPD 6/95 Rev.1 (F) and allocate \$ 251,407 for its implementation.

15. **Report of the Session**

The Committee accepted this Report for submission to the Council.

## Appendix I

### TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

#### 1. PD 32/94 (F) Sustainable Forest Management Demonstration Project in the natural Forests of the Donoso District

##### Summary of the Original Proposal

The proposed project will take place in the Province of Colón in north central Panama. In 1984, a forest inventory was carried out in a 150,000 ha of natural forests by JICA. This work showed that there is a great potential for forest management in the Donso area and basic guidelines for forest development and land use were proposed. Since then, there has been a growing pressure to convert the fragile soils from forest cover to agriculture. INRENARE believes there is potential for communities to directly benefit from the management of these forests as an alternative to agriculture.

The project will update the forest inventory done by JICA and the guidelines proposed in 1984 will be restructured to take into account recent developments in the social, technological and economic aspects. A 50,000 ha area will be managed by local communities for sustainable forest production and timber processing. The project also intends to assist the communities with timber processing to enhance rural capital formation. About 500 families will directly benefit from the project. The project will promote the processing and marketing of new timber species in addition to the development of community forestry management models. These models may have application elsewhere in the country.

The project will be implemented by INRENARE's Regional Office in Colón, where the project staff will be based. Some of the principle outputs and activities include:

- Utilization and marketing of commercial species of current and potential use.
- The development of a forest management plan with community participation.
- Sustained production of forest raw materials.
- Application of silvicultural techniques to enhance production.
- Promotion of species of potential value in the market place.
- Identification and implementation of a sustainable forest management model with the participation of local communities organized in forest producer groups.
- Organize and train communities to participate in forest management and timber processing.
- Carry out research on the physical and mechanical properties of potential species and develop technical manuals.
- Analyze the cost-benefit of community based forestry activities.
- Develop and establish agroforestry production systems with local participation.

##### Project Compliance with ITTO Requirements

The Project is related to Objectives (c) and (e) of the ITTA, and is potentially related to all the areas (a), (b) and (c) of Article 23, Paragraph 5 of the Agreement. Furthermore, the proposal is consistent with criteria (a), (b) and (d) of Paragraph 6 of the same article. The proposal is also related to elements (f), (g), (h) and (k) of the ITTO Action Plan in the field of Reforestation and Forest Management; and (a), (c), (d), (e), (f) and (g) in the field of Forest Industry.

##### Comments of the Seventh Panel

The Panel observed that the proposal follows the ITTO format fairly closely but doesn't include a map and the budget is not broken down by activity group. The project closely conforms to ITTO's main objectives and criteria. The Panel believed that the concepts and goals of the project are laudable and felt that the Executing Agency should be encouraged to continue with the development of the proposal.

The Panel had difficulties with the industrial component due to a lack of information. The Panel noted that the project proposes to utilize portable sawmills. The Panel felt this was a good start, however, it noted potential environmental problems with unregulated sawmill use. The Panel believes that over the five year period, the project should be able to explore community based wood processing technologies. However, a strategy for doing so was not included. The project will utilize the services of a wood technologist, but equipment for testing the properties of wood is not included in the budget.

The Panel also saw that the proposal lacked details concerning the marketing aspects. Even though Panama is facing a shortage of wood, the proposal needs to define a strategy on how market acceptance of lesser utilized species will be sought.

The Panel also sought more information on the sociological aspects. The proposal should explain how communities will be organized in the project. For example, the Panel did not know if any existing community groups could be strengthened to participate in the project. The Panel was also unsure how training and technological transfer would take place. There was also a question concerning community tradition in forestry activities. The Panel was unsure if community participation meant that rural people would work as laborers or develop as entrepreneurs.

#### Recommendations of the Seventh Panel

The Panel believes that this project has potential in ITTO. Therefore, a number of specific recommendations were developed to guide the Executing Agency in proposal reformulation:

- a. Follow more closely the ITTO proposal format as specified in the Project Formulation Manual.
- b. Divide the project into two distinct phases: A first phase concentrating on forest management and a second phase focussing on utilization.
- c. Phase I - Forest Management would include the relocation and remeasurement of JICA plots to serve as a basis for planning and developing the forest management plan. Other information needed for Phase I include:
  - (i) Provide more information on the sociological aspects particularly:
    - Background on the communities involved, including their origin (e.g. colonists, indigenous groups) their traditional relationship with the forest.
    - Explain how communities will participate in the project.
    - Describe the training strategy to transfer technology to the participants.
    - Specify how the communities will deal with timber utilization and marketing.
  - (ii) The proposal needs to explain the current state of biodiversity and the potential impact of the project on biological diversity in the area particularly due to a significant increase on the volume cut from the region.
  - (iii) Information is needed concerning the types of species found in the area, dividing them into categories of 1) current marketable species and 2) those which need to be promoted in the market place.
- d. Phase II - Utilization would include an in-depth analysis of the access to timber markets by participating community members.
  - (i) The proposal should provide more details on the timber utilization aspect with special reference to the development of technologies for timber processing at the community level. The budget should provide for equipment for testing wood properties if necessary.
  - (ii) The project should have a clear marketing strategy for both the currently utilized species and ones to be developed.



- e. The proposal needs to clarify the scope of agroforestry activities and how they will relate to the other components of the project.
- f. The statements on activities should be very specific and include outputs as reflected in the logical framework matrix.

#### Conclusions of the Seventh Panel

The Panel felt that complete reformulation of the proposal was essential. After reformulation, the Panel needs to assess the revised proposal.

#### Addressing the Seventh Panel's Comments

The original project document was assessed by the Seventh Expert Panel in February/March 1994. The revised version addresses some of the recommendations made by the Seventh Panel. An outline of the major differences between the original and revised versions is made below:

- **Format:** The format in the Rev.1 version is basically the same as in the original proposal, but with the addition of a map in the Appendix.
- **Phases:** The project objectives have been divided into two distinct phases, with the first phase (two years) focussed on the collecting and analysis of information, and the second on utilization and marketing. The forest inventory will be updated, a biodiversity (flora/fauna) inventory will be conducted, species will be identified and assessed as to their market potential and a seminar will be held to assess the impact of logging on the environment. The results of these assessments will be used to formulate a forest management and harvesting plan.

The second phase (three years) will center on forest management, harvesting, processing and marketing timber with an aim towards rural capital formation in participant communities.

- **Social Aspects:** Some additional information is provided on community participation in the project, and the transfer of technology, but major sections have not been included to provide more detail on the social considerations. An NGO, the PANAMA Foundation will be the co-implementing agency and its role will be regulated by an agreement with INRENARE.
- **Utilization & Agroforestry:** Only a few additional details are provided on utilization and agroforestry.
- **Budget:** The overall ITTO budget has been increased from \$759,420 to \$799,459.

#### Comments of the Ninth Panel

The Panel noted that some changes had been made in the revised proposal as recommended by the Eighth Panel. However, the Panel felt that much information was still missing. The Eighth Panel recommended that the project be divided into two distinct phases. This was done but the revised document does not clearly tie the two phases together. For example, information should be generated during the first phase to help plan for the implementation of Phase II. Community participation, transfer of technology, marketing, biodiversity, details on species found in the area, and so on were not discussed in any detail. There is still a great deal of information lacking in the proposal.

The Panel observed that not much information about the JICA project and other alternatives were presented. Also further detail was lacking concerning wood production costs, environmental aspects and other key areas. The Panel also believed that the proposal needed to define the role of the private sector in the project. The Panel observed from PD 5/95 (F) that the forest law was approved in February 1994 and saw that this fact should be updated in the proposal.

Regarding the format and budget, the Panel noted a number of disparities between outputs and activities and the workplan. The budget is not broken down by activity so it was difficult to assess the costs of the various project components. Furthermore, the budget did not include the 5.5% ITTO program support costs. In summary, many of the recommendations made by the Eighth Panel were still valid for the revised proposal and the Panel felt that it appeared to be very difficult for the Implementing Agency to provide the information required for both phases.

The Panel discussed the possibility of formulating a pre-project and suggested that it contain 2-3 activities to collect information. In turn, this information would be available for strengthening the proposal which would be presented at a later time. The recommendations from the two Panels (Eighth and Ninth) could be taken into consideration during the implementation of a pre-project. The Panel felt that a brief summary of the results of JICA's survey would strengthen the proposal considerably.

#### Recommendation of the Ninth Panel

- a. Formulate a pre-project proposal which would accomplish the following:
  - \* Based on the information JICA collected during a forest inventory in Donoso in 1984, update the inventory so as to assess the potential of the Donoso forest. A brief summary of the 1984 inventory should be included in the pre-project proposal.
  - \* Conduct a biodiversity inventory to ascertain potential environmental impacts on the biological diversity of the area.
  - \* Carry out a socio-economic study in order to assess the current status of the communities and determine key elements for their involvement in project activities.
- b. The pre-project should result in the development of a project proposal which would then be presented to ITTO for the management of the Donoso forest with community involvement. The proposal formulated within the pre-project should take into consideration the comments of the Eighth Panel and those made above.

#### Conclusions of the Ninth Panel

The Panel concluded that, with the incorporation of the above essential modifications, which were necessary for the pre-project to succeed, the project should be commended to the Permanent Committee for final appraisal.

#### Addressing the Ninth Panel's Comments

This proposal was evaluated by the Ninth Expert Panel in February/March 1995. The Panel had recommended the formulation of a pre-project for the Donoso District that would accomplish the following three activities: 1) update the forest inventory; 2) conduct a biodiversity inventory; and 3) carry out a socio-economic study, the results of which would allow the Government of Panama to properly formulate a project proposal for the management of area to be submitted to ITTO.

The Government of Panama has submitted a newly formulated pre-project proposal, following the ITTO format, that incorporates the development of the three activities recommended by the Ninth Expert Panel. It does not, however, address the formulation of a project proposal for the management of the area's forests as one of its specific objectives nor does it present the scheduling of the activities.

The pre-project proposal is being presented to the Permanent Committee as PPD 6/95 (F) "Forestry Development Plan for the Sustainable Management of the Forests of the Donoso District, Province of Colon, Republic of Panama".

### Conclusions of the Sixteenth Committee

The Committee noted that the revised pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 6/95 Rev.2 (F,I) and recommended the Council to allocate \$251,407 for its immediate implementation.

**2. PD 2/95 (F,I) Book and Databank on the Lesser-Known Timbers of South East Asia: Volume 5 (3) within the PROSEA Program**

#### Summary of the Original Proposal

The PROSEA Program is an attempt to document the existing wealth of information on the plant resources of South-East Asia and to make it available for education, extension work, research and industry in the form of an illustrated 20 volume handbook and a computerized databank. One of the volumes, Vol. 5 entitled "Timber Trees", is subdivided into three sub-volumes 5.1, 5.2, and 5.3 and is directly relevant to ITTO's objectives and mandate. Thus, the publication of sub-volumes 5.1 and 5.2 have been realized through the support of ITTO under PD 10/92 Rev.1 (F) "Books and Database on the Major and Minor Commercial Timbers of South-East Asia: Volume 5(1) and Volume 5 (2) within the Prosea Program". The proposed project is a continuation of this initiative, and with the production of sub-volume 5.3, the handbook Volume 5 "Timber Trees" will be completed.

The expected output of the project will be the publication of a 600 page handbook. Volume 5(3) in hardcover edition, and a low-price paperback edition. In addition, an operational network in South East Asia as well as an expanded databank called SAPRIS will be created to complete the existing six databases namely: BASELIST, CATALOG, PREPHASE, ORGANYM, PERSONYM, TEXTFILE.

#### Project Compliance with ITTO Requirement

The Project is related to objectives (c), (f) and (h) of the ITTA, 1983. It is also consistent with all elements of Article 23 paragraphs 5 and 6 and relevant to ITTO Objective 2000. The proposal is also consistent with basic strategies (a), (b), (h) and (i) of ITTO Plan of Action in the field of Reforestation and Forest Management.

#### Comments of the Ninth Panel

The Panel recognized the importance of the proposal to complete the impressive series of publication produced by the PROSEA. The proposal presentation follows the ITTO Manual for Project Formulation, although the Panel observed the absence of logical framework sheet.

While the Panel praised the PROSEA as a competent institution in carrying out the activities, the Panel queried on the financial arrangement of subsidizing the paper-back edition with the revenue obtained from the hard-cover edition. In addition, the Panel also sought clarification on the copyright of the Handbook. The Panel further requested clarification on the contribution from PUDOC-DLO, Netherlands, during the implementation of the project. The Panel noted that there are significant differences between rates of salary applied to Expert under the Publication Office, compared to those in the Network Office.

#### Recommendations of the Ninth Panel

The proposal should be revised taking into considerations the following:

- a. clarify the subsidy arrangements in financing the paper-back edition;
- b. elaborate on the role and contribution of the PUDOC-DLO to the project;

- c. clarify the copyright situation with the Handbook;
- d. revise the budget, particularly the salary line items in order to reduce the difference between the rate applied to the Publishing Office and the Network Office.

#### Conclusion of the Ninth Panel

The Panel concluded that, with the incorporation of the above essential modifications, which were necessary for the project to succeed, the project should be commended to the Permanent Committee for final appraisal.

#### Addressing the Ninth Panel's Comments

The Secretariat informed the Committee that the recommendations made by the Ninth Panel of Experts have been addressed in the proposal Rev.1 submitted by the Government of Indonesia. The revision pertains to the following items:

- a. **Arrangement in financing the paper-back edition:** For the whole series of 20 volumes, PROSEA has adopted a system of two editions: hardbound and paperback edition. Both editions are based on the same printing film. All film costs are borne by the publisher of the hardbound edition, and thus the existence of the hardbound edition assures the lowest possible price for the paperback. The "profit" originated from the hardbound edition will be used as revolving funds to support the low-price edition.
- b. **Role and contribution of Pudoc-DLO:** Pudoc-DLO is a non-profit organization under the Ministry of Agriculture in Netherlands providing information and publication services. Pudoc-DLO offered PROSEA to print and distribute free- of-charge the precursor of the PROSEA Handbook, give free access to international on-line literature databases, and to publish and distribute the PROSEA books. Pudoc also assists PROSEA in developing a CD-ROM containing the PROSEA Handbook and literature databases.
- c. **Copyright situation with the Handbook:** The copy rights of many previous editions are held jointly by PROSEA and Pudoc-DLO, in the understanding that PROSEA has the copyright of the contents, and Pudoc-DLO of the format. For Volume 5(2) and 5(3) the copyrights are indivisibly held by the PROSEA Foundation.
- d. **Revised Budget:** The budget for salary costs of the Publication Office has been reduced from US\$ 450,000 to US\$ 347,000, while the salary costs for the Network Office has been increased from US\$ 101,000 to US\$ 151,500. The provision for editors/authors/artists has also been increased from US\$ 60,000 to US\$ 112,500. The revised budget is presented as Table 2 of the proposal. It was also explained that salary costs for Network Office varied depending on the national rules and regulations since many of the personnel involved are engaged on a seconded basis.

#### Conclusions of the Sixteenth Committee

The Committee appreciated the need to provide adequate remuneration for national experts engaged in this project and noted that this matter has been addressed in the revised proposal. The Committee discussed the copyright of the handbook and acknowledged that ITTO should have a clear policy in the copyright situation of the publication supported by ITTO. Noting that the Panel's concerns have been addressed, the Committee recommends the Council approve the project, and allocate US\$ 996,448 for its implementation.

3. PD 3/95 (F) Genetic Resistance in Iroko to Phytolyma lata - Phase II - Sustainable Tropical Forest Establishment

Summary of the Original Proposal

Milicia excelsa and Milicia regia, both known in the international market as Iroko, are important tropical timber species for many countries in Western and Central Africa. Iroko accounts for about 20% of the timber export market in Ghana. However, it is exploited beyond its capacity to regenerate. Iroko plantation establishment is hampered by attacks from the insect pest Phytolyma lata, resulting in growth reduction and, in many cases, seedling mortality.

An initial investigation of this problem was carried out under project PD 75/90 (F), with the view of developing a genetic resistance in Iroko to Phytolyma lata in order to allow mass propagation and subsequent plantation establishment. The project did not identify any specific provenance resistant to Phytolyma lata, but succeeded in finding as much as a 12-fold difference in resistance between individuals. Therefore, there are good prospects for identifying resistant individuals/provenances through further investigation. The project concluded that some innovative silvicultural techniques may mitigate the attack and infestation of Phytolyma lata.

The current proposal builds on these results and aims to initiate a comprehensive rehabilitation of Iroko for operational industrial plantation purposes. To that end, an Integrated pest management program will be developed, including the investigation and selection of resistant individuals/provenances throughout the whole range of Milicia. Furthermore, the skills and technologies for mass production of seedlings and innovative silvicultural techniques will be developed.

Institutions in Ghana, Côte d'Ivoire and Cameroon, as well as some forest companies and local communities, will be involved in the implementation of the project. Project activities, some of which are the continuation of activities initiated during the previous project, include:

- establishment of Milicia provenance trials and the set-up of long-term biodiversity plantations;
- selection process to identify resistant genotypes and development of vegetative and micropropagation techniques;
- nursery establishment;
- development of planting techniques and silvicultural practices;
- establishment of demonstration plantations with mixed species;
- production of technical reports and manuals;
- training and dissemination of project results through workshops and seminars.

Project Compliance with ITTO Requirements

The Project is related to objectives (b), (c), (f) and (h) of the ITTA of 1983. It is also consistent with basic strategies (b), (f), (h), (i) and (j) of the ITTO Plan of Action.

Comments of the Ninth Panel

The Panel recognized that the project is highly relevant to ITTO and could significantly contribute towards sustainable forest management. The Panel also noted that in general the Project is well developed and consistent with the format included in the ITTO Projects Formulation Manual. However, a number of issues were raised in connection with project design and project future implementation.

- a. The Panel felt that the title of the project is not comprehensive and does not accurately reflect project objectives or activities.
- b. The project is complex and involves a great number of activities and institutions. Ensuring coordination might therefore be a serious undertaking, but no clear mechanism to that end was described in the project proposal. On this same issue, the Panel also considered that enough emphasis was not put on the potential role of the Project Steering Committee.

- c. The project is dealing with research issues, which might show concrete results only in the long term, well beyond the duration of the project and the support of ITTO (3 years). However, clarification on how project activities will be sustained after the financial support of ITTO finished was not mentioned in the proposal.
- d. On the one hand, the Panel noted that the project encompasses a great number of objectives and activities. It would seem appropriate to have them prioritized and broken down into more manageable small projects in order to achieve concrete results within the duration of the project. On the other hand, the Panel recognized that the investigation and improvement of the ability of Milicia for plantation establishment should be carried out, taking into account its ecological behavior in the natural environment. The Panel noted that this aspect has not been addressed in the proposal and no activity was planned to that end.
- e. PD 75/90 (F) had a budget of \$322,743, whereas the current proposal which is the follow-up has a budget of \$1,729,636 without any clear clarification on how the budget has been so significantly increased. In general, it was felt that the cost of the project is very high and some budget items such as seed collection need justification.
- f. Responsibility for the management of project funds is not clear, since it appears that the three institutions are involved in implementing project activities and all three will also manage project funds. The management of ITTO funds should be the responsibility of one institution which is the Implementing Agency.
- g. With regard to mix-plantations, reference is only made to mix-plantations with Gliricidia sepium. It is not clear if alternative species have been considered.

In its overall assessment, the Panel considered that the proposal is too ambitious and will unlikely achieve all the stated objectives and outputs within the proposed time frame. The panel also underscored that developing genetic resistant planting material is the essence of the proposal, but noted that, although the proposal made a provision of \$60,000 in the project budget to hire geneticists during year 2 and 3, insufficient emphasis had been put on the role of geneticists within the project.

The Panel suggested that the project should be split into two separate phases. Phase I [PD 3/95 (F)] would basically deal with the collection of seeds throughout the range of distribution of Milicia spp., the establishment of small scale plantation trials and in situ conservation plots in Ghana, Cameroon and Côte d'Ivoire, the completion of activities initiated under project PD 75/90 (F), as spelled out in the project document and a review of the possible application of biological predators to control the infestation of Phytolima lata at a low level. Phase I would be for immediate implementation and its duration could be extended to 4 years. It would also involve, for an expanded duration, the utilization of a forest geneticist familiar with breeding of tropical timber species. The geneticist would assist in the detailed design of project activities for Phase II.

In reference to the project document, Phase I would encompass outputs 2, 3, 9 and 6 (only publication if technical information worthy of publication is evolved) and on-going activities from PD 75/90 (F) as spelled out in activities related to output 1. Phase II would encompass the rest of the proposed activities and should be delayed, pending the completion of Phase I.

The Panel was also concerned with the scope of the budget in general, and the budget allocated to support project personnel in particular. For example, the Panel was unsure whether the budget allocated for the project coordinator was for salary or incentive, and in any case the amount was deemed too high. While revising the proposal, the Panel recommended that budget allocation for personnel should be realistic, consistent with actual practices and rate, in Ghana, and determined in such a way that the sustainability of the project after the completion of ITTO financial support is not jeopardized.

### Recommendations of the Ninth Panel

- a. The project should be split into 2 separate phases: Phase I to deal with the collection of Iroko seeds, the establishment of small scale plantation trials and in situ conservation plots in Ghana, Cameroon and Côte d'Ivoire, the completion of on-going activities initiated under PD 75/90 (F) and a review of the possible application of biological predators to control the infestation of Phytolina lata at a low level. Phase II would encompass the rest of the proposed activities and should be initiated upon the completion of Phase I.
- b. The role of the geneticist in Phase I should be emphasized and expanded.
- c. The duration of Phase I should be extended to 4 years.
- d. When revising the proposal, great attention should be given to the definition of personnel salaries and wages so as to conform to actual applicable rates in Ghana and in such a way that the sustainability of the project is not jeopardized after the completion of ITTO financial support.
- e. The revised proposal should also include among its activities the identification of seed sources and the development of a strategy for the conservation and protection of some seed source stands.
- f. Revise the proposal consistently with above comments and recommendations.

### Conclusion of the Ninth Panel

The Panel concluded that with the incorporation of these above essential modifications, which were necessary for the project to succeed, the project should be commended to the Permanent Committee for final appraisal.

### Addressing the Ninth Panel's Comments

The proposal was revised in response to the Panel's comments and recommendations. With reference to the Panel's comments and recommendations, the revision is as follows:

- a. **Project Title:** The project title has been changed to reflect project activities. The title is now "Conservation and Provenance Plantings and Integrated Pest Management to Sustain Iroko Production in West Africa".
- b. **Project Coordination:** On p. 32-34, specific responsibilities for key project personnel and national institutions involved in the implementation of the project have been outlined. Furthermore on p. 16 and 17, the composition of the Project Steering Committee has been spelled out and its responsibilities clarified in connection with project coordination. However, the need to assign responsibilities of project implementation to specific individuals may be questioned at this stage (e.g, Project Coordinator: Dr. Joseph Cobbinah; Co-Principal Investigator: Dr. M.R. Wagner, etc.).
- c. **Strategy to Sustain Project Activities:** It has been explained that Iroko is a very valuable species for most of the countries in the region. It is also expected that project results will show evidence that the sustainable utilization and conservation of Iroko through plantations and natural stands management is feasible. It should therefore be feasible on that basis to attract funds from private companies, interested national institutions and international organizations for the continuation of relevant project activities.
- d. **Splitting the Proposal into Two Phases and Duration of Phase I:** The proposal has been split into 2 separate phases, as advised by the Panel. PD 3/95 Rev.1 (F) is only concerned with the first phase which will include activities suggested by the Panel. The duration of this phase has been extended to 4 years, as advised by the Panel.

- e. **Ecological Study of Iroko Natural Environment:** Output 5 of the proposal and related activities have been designed to meet this requirement of the Panel (P. 21).
- f. **Cost of the Proposal:** No explanation has been provided to justify the large increase of the follow-up project (\$1,375,164) compared to the budget of the initial project PD 75/90 (F) (\$254,410) which has been completed. It has however been explained that, as a result of the recommendation of the Ninth Panel of Experts which recommended that the proposal should be split into two separate phases, the budget of the proposal has been reduced from \$1,375,164 to \$661,501.
- g. **Responsibility concerning the Management of Project Funds:** It has been clarified that the Forestry Research Institute of Ghana, as Executing Agency, will be responsible for the management of project funds. Practical financial arrangements will be put in place to support activities implemented by collaborating institutions.
- h. **Species Involved in Mix-Plantations:** It has been clarified that other species in addition to Gliricidia sepium will be used in planting trials, such as Tectona grandis, Terminalia superba, etc. Preliminary results indicate that the infestation of Milicia excelsa by Phytolyma lata is substantially reduced when Milicia is 40% or less of the total composition of a mixed plantation.
- i. **Emphasis and Expansion of the Role of the Geneticist:** The role of the geneticist has been clarified in the section related to project key staff (section 9.5, p. 35) and his TOR defined. However it does not seem that his role has been expanded: \$60,000 were allocated for the geneticist in the original proposal; the same amount of \$60,000 is allocated in the revised proposal.
- j. **Salaries and Wages of Project Personnel:** The only salary which will be paid will be for the geneticist during year 2 and 3 for a total amount of \$60,000. These provisions are the same as in the original proposal. The wages of most project personnel are in the form of incentives and have been substantially revised and the total has been reduced from \$223,800 in the original proposal which has a duration of three years, to \$104,100 in the revised proposal, although its duration is now four years. It is mentioned that these wages are similar to those provided to participants in similar ITTO projects implemented in Ghana.
- k. **Identification of Seed Sources and Strategy for their Conservation:** Provisions have been made in the proposal to address this issue (activity 2.3, p. 20). However it has been mentioned that advice will be sought during the first meeting of the Steering Committee on the best approach to achieve this objective.

In addition to the above elements, it could be mentioned that the budget of the revised proposal includes many miscalculations and incorrect approaches in determining budget lines, as elaborated below:

i) For ITTO Funds

- \* The total expenses for publications, seed collection and external collaborators should be \$121,180, instead of \$114,180.
- \* The total operational expenses for Cameroon, and expenses for the scientific visit should be \$61,500 instead of \$73,400.
- \* Total expenses for technicians in Côte d'Ivoire should be \$5,400 and not \$9,000.
- \* The total cost for the Côte d'Ivoire component should read \$89,400 rather than \$93,400.



- \* The administrative charges of FORIG (2.5%) should be based on the total amount to be managed by the institution, which should be \$521,080; thus these administrative charges should amount to \$13,027.
  - \* A provision of \$6,500 per year is insufficient for ITTO monitoring and evaluation; an amount of \$10,000/year would be more appropriate; thus \$40,000 for the duration of the project.
  - \* The ITTO Administrative costs should be calculated at 5.5% of the total project cost, instead of 5%.
  - \* With these adjustments, the total ITTO contribution should be \$666,252 and not \$661,501.
- ii) Matching Funds
- \* Total contingency funds for the contribution of WIJMA Ghana should read \$5,100 instead of \$5,000.
  - \* Total contribution of WIJMA Côte d'Ivoire should read \$128,700 instead of \$133,100, with \$11,700 as provision for contingency funds.
  - \* The contribution of the Government of Ghana (in kind), on p. 46 should read \$161,300 and not \$161,000.
  - \* It is not clear whether the total contribution from the Government of Ghana mentioned on p. 46 (in US\$) includes 10% for contingency (cfs 16,130,000).
  - \* No contribution has been mentioned from the Government of Cameroon.

#### Conclusions of the Sixteenth Committee

The Committee discussed and expressed satisfaction over the amendments provided by the Executing Agency in its attempt to respond to comments and recommendations made by the Ninth Panel of Experts. It also acknowledged the additional information provided by the Executing Agency regarding the scope of the project, the use of the services of a geneticist early in the Project and the adjustments made in the project budget. It also took note that the project is strongly supported by participating countries such as Cameroon and Côte d'Ivoire, and by other neighboring countries such as Togo. The Togolese Delegation expressed interest to receive copies of reports and other technical papers developed during the previous project, and to be involved in future project activities. The Committee decided to request the council to approve the project and allocate US\$ 668,891 for its implementation.

#### 4. PD 8/95 (F) **Multiple Resource Stratification, Mapping and Inventory for the Management of the First Forest Zone in Gabon**

##### Summary of the Original Proposal

The first forest zone of Gabon, covering approximately 4.7 million ha, is considered a key area for the development of the timber industry in Gabon. Reasons for this include its high potential in okoumé, the relatively flat terrain, easy log floating and export possibilities and highly selective timber cutting. The valuable timber species in this area have been exhausted and therefore there is a need to restore productivity. This entails the development of a land-use plan for the entire area and the management of forest estates for sustainable timber production.

This two-phase project aims to initiate this process by:

- (i) developing a land use plan during the first phase of the project;
- (ii) undertaking a multi-resource forest management inventory in 450,000 ha of forest allotted for timber production in the second phase.

Project activities include:

- developing an MIS;
- establishing a cartography laboratory and developing various maps, including the final land-use map;
- undertaking a multi-resource inventory in 450,000 ha of forest, including data processing;
- developing forest management maps.

#### Project Compliance with ITTO Requirements

The project is related to objectives, (b), (c), (f), and (h) of the ITTA 1983. It is also consistent with basic strategies (b), (e), (f), (g), and of the ITTO Plan of Action.

#### Comments of the Ninth Panel

The Panel considered that the proposal is consistent with ITTO objectives. Whilst the proposal is well developed, the Panel is of the opinion that the objectives are very ambitious and that the proposed activities need very firm coordination; the budget is considered to be too high. Therefore the Panel advised that each phase of the project should be developed as a separate project proposal. The two proposals that would result would have the same development objective, but different specific objectives. The proposal relating to Phase I would clearly mention that it is the initial phase of a wider strategy and that it would be complemented by a follow-up project.

The Panel suggested that the proposal should be reformulated to concentrate only on the activities proposed for the first phase. All project elements should take this new orientation into account. Care should be taken to avoid inconsistencies in the revised document. When revising the proposal, it is recommended that the following points be taken into account:

#### Recommendations of the Ninth Panel

- a. The possibility of generating a map at a scale of 1:100 000, which would be more appropriate for the activities envisioned in the second phase, should be investigated, as against a map at 1:500 000.
- b. The activities of the GIS expert, the computer specialist, the development expert and the photo-interpreter should be performed by only two international experts with expertise encompassing these fields complementarily.
- c. An allocation of about \$36,000 should be made for ad hoc consultancies. This amount could be used to hire national and/or international consultants as needed in the course of the project.
- d. The budget allocated for capital items, especially the installation of the laboratory and the purchase of consumables, should be broken down and justified.
- e. Great attention should be given to training and technology transfer, with the aim of minimizing the use of international expertise during the follow-up phase. This should be specifically included in the TOR of one of the international experts.

- f. The following minor points should also be addressed in the revision:
- \* The French version of the proposal should use the term "Carte d'aptitude des terres", instead of "Carte d'affectation des terres", since the latter term implies a different process from the one envisaged in the project.
  - \* The criteria for the selection of protection and production areas should be specified.

#### Conclusion of the Ninth Panel

The Panel considered that the project was very important for sustainable forest management in Gabon and that the approach proposed is very comprehensive. It concluded that, with the incorporation of the above essential modifications, which were necessary for the project to succeed, the project should be recommended to the Permanent Committee for final appraisal.

#### Addressing the Ninth Panel's Comments

The proposal was revised in response to the Panel's comments and recommendations. The original proposal has been divided into two separate phases and the revised proposal now focuses on Phase I. With reference to the Panel's comments and recommendations, the revision could be assessed as follows:

- a. **Possibility of Generating a Map at a Scale of 1:100 000:** This possibility was not discussed in the revised proposal, which, like in the original proposal, provided for the development of a land-use map at 1:200 000 and 1:500 000. The 1:200 000 map will be a convenient working tool for planning and management of natural resources for technicians, whereas the 1:500 000 map will be useful for policy makers, decision makers and the donor community who could get an over-all picture at a glance (p. 50-51).
- b. **International Expertise:** The activities of the GIS Expert, the computer specialist, the development expert and the photo-interpreter would be performed by only two experts (instead of three in the original proposal), the Expert in Land-Use Planning and the Expert in Remote Sensing/GIS, as recommended by the Panel. However this arrangement did not result in any budget savings, basically because the duration of these experts in the project has been extended from 18 to 24 months, and the revised duration of the project from 19 to 24 months, the end result being that the total project budget remained the same.
- c. **Ad hoc Consultancies:** An additional allocation of \$24,000 has been made for ad hoc consultancies, instead of \$36,000 as advised by the Panel. This amount will help secure the services of an expert in photo-interpretation on an ad hoc basis.
- d. **Justification of Budget Allocated to Capital Items:** Pages 65 and 66 of the revised proposal outline the quantity and unit costs for subcontracted activities and capital items.
- e. **Training and Transfer of Technology:** The TOR of international experts have been revised to include the training of national staff, as recommended by the Panel. The training of counterparts will be the responsibility of the expert in remote sensing/GIS, assisted by the expert in land-use planning.
- f. **The Use of the Term "Carte d'Aptitude des Terres" instead of "Carte d'Affectation des Terres":** The modification recommended by the Panel has been made when defining project output 4 and its related activities. However the wording in the body of the text should also be consistent with this approach.
- g. **Criteria for the Selection of Protection and Production Forests:** Specific criteria for the selection of protection and production forests have not been specified in the revised version of the proposal. It could only be mentioned that, like in the original proposal, the revised proposal indicates that options for land-use zoning will be proposed, based on the one hand on land capability for various land uses, and on the other hand on identified needs of dwellers and interested parties (p. 36).

### Conclusions of the Sixteenth Committee

The Committee recognized the importance of the project in the overall strategy for sustainable forest management in Gabon. It noted that the proposal is well formulated. The Committee also expressed satisfaction over the explanation provided by the Gabonese Delegation on the basis for the selection of protection forest. In its overall assessment the Committee concluded that the proposal deserves the support of ITTO and decided to recommend the Council to approve the project and to allocate US\$ 1,252,475 for its implementation.

#### 5. PD 9/95 (F)                      **Reforestation Using High-Value Tropical Species in Agroforestry Systems of the Province of Tambopata**

##### Summary of the Original Proposal

The proposed project will take place in the department of Madre de Dios located in the southeastern region of Peru. The project site is along a 225 km stretch of road transecting the entire department from Cuzco to the Brazilian border. It will work with groups of roughly 30 farmers in communities along the road.

The implementing agency is the Madre de Dios Reforestation Committee. This Committee has operated for the past 10 years with financial support from the "Reforestation Levy", a stumpage fee paid by loggers which goes into a fund to cover reforestation efforts. This fee has been inadequate to support any real effort for reforestation. A re-assessment of this levy will be carried out with a view to increasing the revenue for the Reforestation Committee.

The area has been deforested through the process of colonization. First, the most valuable timber species were cut, then the remainder of the forest was destroyed in order to plant short cycle crops (rice, corn, etc.) and create pastures for grazing. Since the soils are infertile, agricultural and livestock production levels are too low to support families trying to get by on subsistence farming. Unfortunately, this forest is being quickly degraded because most species are not marketable due to the difficult and high transportation costs.

The project intends to overcome this situation by assisting landowners to establish agroforestry systems which produce a variety of agricultural and forest products over both the short and long run. Valuable timber species such as cedar, mahogany, tornillo, chestnut, etc. will be combined with both short and medium cycle crops. These agroforestry systems have been tested in other similar regions of the Amazon and have proven to have potential.

The four primary outputs include:

- a. agroforestry training and validation of promising agroforestry systems in the project area using forest species of commercial potential;
- b. production of 510,000 forest plants from eight nurseries, and the expansion of an existing one to attain a total output of 950,000 plants over the three-year project period;
- c. the planting of 510,000 forest seedlings on the land of participant farmers utilizing agroforestry systems;
- d. maintenance and monitoring of newly established agroforestry systems.

##### Project Compliance with ITTO Requirements

The project is related to objectives (f) and (h) of the ITTA 1983. It is also consistent with all elements of Article 23 paragraph 6 and relevant to the ITTO Objective 2000. The proposal is also consistent with basic strategies (a), (b), (d), (e), (k) and (m) of the ITTO Action Plan in the field of Reforestation and Forest Management.

### Comments of the Ninth Panel

The Panel observed that this project is basically an agroforestry project, however, it warrants ITTO support because it promotes four very important timber species produced in the Latin America region. In this light, the Panel recognized that the contribution this project will make to timber traded on the international market is potentially very high.

The Panel also observed that the project is spread out over a wide area and is located in a part of the country with very bad roads and poor access. The Panel was concerned about the economic feasibility of reforesting and managing for timber species due to the high cost of transporting the raw materials to market. The Panel was also concerned on how the agroforestry plots would be sustained over the long run, particularly because this is a three-year project. While the project proposal is well formulated, the goals are more applicable to a ten-year project than a three-year one.

Some technical observations were also mentioned. Survival rates in previous reforestation efforts were low and the Panel questioned how this situation would be rectified. Also, the Panel felt that small on-farm nurseries would be more efficient given that the project area is spread out over a 225 km stretch of bad road. The Panel also saw that the Executing Agency had found a solution to the Meliaceae shoot borer using worm humus as a substrate for planting and questioned whether this was a nursery practice or a solution for plantations as well.

### Recommendations of the Ninth Panel

- a. Specify the exact number of potential beneficiaries in the project.
- b. Clarify how survival rates will be ensured to be reasonably high and clarify the point on the Hypsiphyla shoot borer.
- c. The Panel noted that training is provided in the budget for extension personnel but not for participant farmers. The budget should be revised to include adequate training for participants.
- d. Additional detail should be provided on the incentive system of granting land titles to farmers who are involved in reforestation activities.
- e. Specify how the agroforestry plots will be maintained (technically, economically and socially) over the long run and strategies for overcoming economic limitations for transporting wood produced in the project.

### Conclusion of the Ninth Panel

The Panel concluded that, with the incorporation of these minor amendments, the project should be commended to the Permanent Committee for final appraisal and approval.

### Addressing the Ninth Panel's Comments

The original project document was assessed by the Ninth Expert Panel in February/March 1995. The revised version addresses all of the Ninth Expert Panel's recommendations, as follows:

- The potential number of beneficiaries is estimated at 7,500 families (details in section 3.5).
- Regarding the Panel's query on survival rates and the Meliaceae shoot borer, the revised project document refers to recent trials where survival rates have increased substantially, particularly when large holes (1m in diameter and depth) filled with abundant organic matter are used for seedling transplants in the field concurrently with species/site selection and ex-nursery seedling selection practices. In the case of Meliaceae seedlings, such as Swietenia macrophylla, it mentions that their resistance to the Hypsipila grandella shoot borer increases substantially (less than 10% of the saplings attacked) when lignified saplings, between

0.8 and 1 m in height, grown in beds with worm humus substrate at the nurseries are transplanted to the field into large holes filled with a mix of organic matter and worm humus (details in section 3.6.3).

- The revised project document sustains that the original budget did include provisions for the training of the participant farmers. It explains that, while it was not considered as a specific item in the budget, it was spread out under several of the items mentioned in the budget. Table 5 in the revised version highlights all the budget items relevant to the training component. The budgetary items directly related to the training of the participant farmers, from where all or part of the funds are directed towards achieving this objective, fall under the following categories: i) fellowships and training, ii) consumable items, and iii) duty travel. Due to the aforementioned, it was not considered necessary to modify the original budget (more details in section 5.1 Activity 3).
- As regards reforestation incentives to obtain legal ownership of land, the revised document refers in detail to the incentives currently in place, such as deferred or cancelled title-deed payments for reforested lands (see section 3.6.6 for details).
- The establishment of agroforestry plots is considered to be a highly viable socio-economic alternative in the region and, as such, it is expected that they be maintained in the long term by the farmers themselves acting in their own self-interest. Likewise, the regional Reforestation Committee, which has been active in the area for the past ten years and is financed by reforestation fees collected from timber harvesting activities, will also continue to offer technical and other forms of assistance to those farmers who established these plots and to others who may wish to establish new plots in the future after the completion of the project. As regards the access of the wood produced by the project to the markets, while it is true that surface transport conditions in the region are poor, this does not constitute a major problem. This same region currently provides the Peruvian central and southern coastal markets with competitively priced timber originating from natural forests (further details in sections 8.2, 9 and 10).

#### Conclusions of the Sixteenth Committee

The Committee noted that all recommendations made 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 9/95 Rev.2 (F) and allocate \$704,503 for its implementation.

#### **6. PD 16/95 Rev.1 (F) Forest Health Monitoring to Monitor the Sustainability of Indonesian Tropical Rain Forests**

##### Summary of the Original Proposal

This project is part of a series of research programs developed jointly by BIOTROP, CIFOR, the USDA Forest Service and the Indonesian Ministry of Forestry. It focuses on the evaluation of forest ecosystems, and, more specifically, on indicators related to changes, trends, causal agents and the mechanisms of forest health.

The activity includes the establishment of forest health monitoring plots within the existing Indonesian national forest inventory plots to monitor parameters relevant to forest sustainability and biodiversity.

Invited scientists will evaluate indicators pertaining to forest mensuration (growth, regeneration, mortality, stand structure), crowns (structure, defoliation, leaf area index), damage (insects, disease, abiotic, and logging), diversity (composition, abundance, structure), aesthetics (scenic beauty, recreation), as well as socio-economic aspects. A methodology will be developed to link remote sensing techniques to ground based monitoring plots and the Ecological Classification System. It would lead to a study of relationships between the condition of a forest ecosystem, the trend of biodiversity indicators and human activities.

Reports on monitoring plots and on data assessment through diverse remote sensing techniques will be produced by the project. In addition, training on the establishment of forest health monitoring plots will be provided.

#### Project Compliance with ITTO Requirements

The Project is related to objectives (c),(f) and (h) of the ITTA, 1983. It is also consistent with all elements of Article 23 paragraphs 5 and 6 and relevant to the ITTO Objective 2000. The Proposal is also consistent with basic strategies (a),(b),(h) and (i) of the ITTO Plan of Action in the field of Reforestation and Forest Management.

#### Comments of the Ninth Panel

The Panel recognized that the proposal is relevant to ITTO objectives and priorities. However, there is a need to provide more information on the NFI (National Forest Inventory) project, particularly the methodology applied and its linkage with the proposal. The Panel questioned whether monitoring forest aesthetics fits in well with the proposed methodology for monitoring the Indonesian forest. On Page 9, there is reference made to an ITTO mandate for ecolabelling and since this mandate does not exist, reference to this point should be dropped.

The Panel felt that the information regarding ITTO's role quoted under section 2.3.5 was incorrect and therefore should be rectified. The Panel also thought that greater detail is needed in the section on risk assessment. The Panel noted that the budget lacked details to justify the costs proposed particularly on duty travel, capital items, and personnel. The absence of a consolidated budget was also noted.

The Panel sought clarification on the role of each institution and how they would coordinate with each other in the project. Terms of Reference for the experts were also requested. There is only one activity to monitor a wide range of parameters, from technical aspects to socio-economic ones. The Panel felt that this activity needed to be split into several activities, each pertaining to a clearly defined indicator.

#### Recommendations of the Ninth Panel

- a. Provide background information on NFI Project and the methodology adopted.
- b. Justify the need to monitor aesthetic aspects.
- c. Eliminate the reference to ITTO's mandate for eco-labelling, and provide a more detailed risk assessment.
- d. Provide a breakdown of the budget and a table of consolidated budget specifying how costs are distributed amongst the participating organizations.
- e. Clarify the role of each participating institution (USDA Forest Service, CIFOR, BIOTROP and Ministry of Forestry) and how they will be coordinated.
- f. Split Activity no. 1 into several headings in line with the indicators, and break down by budget lines.
- g. Provide a Terms of Reference for proposed consultants.
- h. Describe the institutions which will be involved in the Steering Committee.
- i. Explain how the socio-economic conditions will be monitored in the project.

### Conclusion of the Ninth Panel

The Panel concluded that, with the incorporation of the above essential modifications, which were necessary for the project to succeed, the project should be commended to the Permanent Committee for final appraisal.

### Addressing the Ninth Panel's Comments

The proposal has been substantially revised to respond to the Panel's observations. The various concerns of the Panel were addressed as follows:

- a. **Background information on NFI Project and the methodology adopted:** National Forest Inventory (NFI) is an on-going project under the Indonesian Ministry of Forestry supported by the World Bank and FAO carrying out a national forestry resource assessment. The survey would provide reliable estimates of standing volumes by major forest types, species and marketing group, and mark their location on small-scale low-cost maps for use by the government and private sector in planning forest management. The NFI includes forest resources monitoring, Digital Image Analysis System and Geographic Information System. Brief information about the NFI is provided in Annex 1 to the revised proposal. The NFI includes a methodology based on a stratified sampling design, with strata defined on the basis of existing remote sensing images. New aerial photography will be obtained at systematically spaced intervals with line spacing varying between 10 and 20 km. Field sampling will be carried out to calibrate remote sensing and aerial photography data.
- b. **Monitoring aesthetic aspect:** This aspect is no longer considered in the revised proposal.
- c. **Reference to ITTO's Mandate and Risk Assessment:** Reference to ecolabelling has been deleted from the revised proposal. Under the section "Risks" it was stated that only minimal disturbances are foreseen during the survey, measurement and plots establishment. The revised proposal does not provide further assessment.
- d. **Breakdown of the budget:** Six additional tables are provided including the consolidated Yearly Project Budget. Elements for calculating the proposed budget are attached as Annex 2.
- e. **Role of participating institutions:** The role of the institutions involved has been elaborated to clarify the distribution of work among experts assigned by the USDA, BIOTROP, Indonesian Ministry of Forestry and CIFOR. The USDA will contribute to initial plots establishment, data analysis and expertise, while BIOTROP will organize national scientists to conduct the different aspects of studies. The Directorate General of Forest Inventory and Land Use Planning under the Ministry of Forestry will provide counterpart-foresters, maps and photo interpretation. CIFOR will participate in measuring the biodiversity indicators.
- f. **Project Activity:** Following the Panel's advice, "Activity no.1" has been divided into six groups to be performed by competent experts. This breakdown was also consistently reflected in presenting Project Budget by Activity (Table 1).
- g. **Terms of Reference for Consultants:** A very brief description is given on the proposed consultants to include specialists in Forest Biometrics, Sylviculture, Entomology, Ecology, Forest Economics and Rural Sociology (Annex 3).
- h. **Steering Committee:** To provide guidance in project implementation, a project steering committee will be formed. Represented on this committee will be the Bureau of International Cooperation, Directorate of Forest Inventory, both under the Indonesian Ministry of Forestry, the USDA Forest Service, ITTO, and SEAMEO BIOTROP.



- i. **Monitoring socio economic conditions:** The revised proposal includes a study on longterm incentives and benefits to local forest dependent communities and the recognition of the rights of the indigenous people.

Conclusions of the Sixteenth Committee

The Japanese Delegation suggested that other South East Asian Member Countries participate in this project and the Malaysian and Philippine Delegations expressed willingness to cooperate. The Committee decided to recommend to Council to approve the project and allocate US\$ 456,989 for its implementation.

## TECHNICAL ASSESSMENT OF PRE-PROJECT PROPOSALS

### 1. PPD 8/94 Rev.1 (F,I)                      Diagnosis and Design of a PLANFOR Support Program

#### Summary of the Original Proposal

Ecuador's forest resources are under threat due to spontaneous colonization and unsustainable logging practices. Colonists cut timber from natural forests and sell it to middlemen timber merchants. In turn, these middlemen market this wood to Ecuador's timber processing industry. Under the threat of substantial deterioration of the country's forest, the government has taken steps to create incentives for reforestation and forest management for private landowners.

In 1993, the National Plan for the Development of Forest Plantations (PLANFOR) became operational. Under PLANFOR, plantations on forest land qualify for reimbursement of establishment and maintenance costs providing certain conditions are met. However, in order for PLANFOR to be successful in its goal of establishing 600,000 ha of plantations over the next 20 years, a number of critical factors need to be analyzed, particularly technical and institutional ones. The project proposes to assist INEFAN to utilize PLANFOR as an effective means of reforesting the country by:

- determining the real costs of plantation establishment eligible for disbursement,
- assessing the origin, quantity and quality of genetic material to be used in reforestation efforts,
- evaluating the production and availability of high quality planting stock, and
- examining different types of guarantee mechanisms and so on that still need to be defined.

This pre-project will be implemented by a non-profit organization, CORMADERA (Corporation for the Development of the Ecuadorian Forest and Timber Sector) throughout the country in areas classified as being suitable for forestry. CORMADERA will develop a series of plans and programs to strengthen PLANFOR and encourage the participation of the private sector, including local communities. The following key outputs have been defined:

- a prioritized list of forest species to be used in the re/afforestation programs;
- diagnosis of the installed capacity of public and private forest nurseries;
- a detailed analysis of real plantation costs in relation to species diversity;
- a project proposal to be submitted to ITTO to support a long-term forestry program for PLANFOR;
- two medium sized forest nurseries established in the coastal area to meet the growing demand for plant material;
- a forest plantation and forest management program in the areas of influence of the two nurseries;
- a forest extension and awareness program addressed to rural communities;
- Training, the dissemination of PLANFOR and a committee for inter-institutional coordination.

#### Project Compliance with ITTO Requirements

The project is related to Objectives (c) and (f) of the ITTA, areas (c) and (e) of Article 23.5 and criteria (b), (d) and (e) of Article 23.6 of the Agreement. This project has the potential to contribute enormously towards the fulfillment of the ITTO Objective 2000. The proposal also complies with the strategy in the field of Reforestation and Forest Management outlined in areas (a), (f), (g), (h) and (l) of the ITTO Action Plan.

#### Comments of the Eighth Panel

In view of the large number of activities, and a substantial budget, the Panel questioned why this proposal was presented as a pre-project. In its present state, it should be considered as a project although it also contains pro-project elements. In this light, the Panel felt that the proposal could be reformulated as a pre-project with a focus on coordinating and carrying out studies. A detailed analysis is presented in the points below:

/...

### **Relevance to ITTO and Formal Presentation**

- a. The project is in compliance with ITTO objectives, priorities and Action Plan.
- b. There is no budget by activity.
- c. Inputs are given in terms of activities, but there are no monitoring activities for inputs.
- d. Two budgets are provided, including a global budget and separate budgets for ITTO and CORMADERA.
- e. The proposal contains a well developed log-frame and workplan.
- f. A map is really needed to show the distribution of state and private lands in the country. The map would clarify many points.

### **Technical Appraisal**

- a. Construction of nurseries is an inappropriate activity in a pre-project.

### **Material Feasibility**

- a. The Panel discussed at length PLANFOR's prospect for institutional sustainability. PLANFOR is very ambitious, requiring US\$20 million for the first three year phase. The section on risk contains a good explanation of obstacles in project implementation.
- b. Who will support PLANFOR? There is a need for much more information.
- c. The Panel noted that PLANBOSQUE planted 25,000 ha and questioned why the plan was abandoned. Why wasn't it possible to correct the technical and economic problems?

### Recommendations of the Eighth Panel

The Panel recommended that the proposal be reformulated as a pre-project by:

- a. Provide an overall picture of PLANFOR, particularly how the entire project is financed. Identify where further support from ITTO may be sought focussing on the strengths of ITTO for supporting PLANFOR.
- b. Include Objective #1 with outputs 1.1 through 1.3. In output 1.4, CORMADERA should develop a program approach on how to implement PLANFOR and show where ITTO fits within this plan.
- c. Eliminate Objective #2 and all the outputs, particularly the nurseries.
- d. For Objective #3 include outputs 3.2 and 3.5 and part of 3.6.
- e. The budget should be reduced because there is no need to buy land, office space, nurseries, etc.
- f. Consider utilizing an international consultant with considerable knowledge of WB, GEF, and international donors for perhaps one or two man-months.

### Conclusions of the Eighth Panel

Complete reformulation of the proposal was essential. After reformulation, the Panel needs to assess the revised proposal.

### Addressing the Eighth Panel's Comments

#### **Overall Picture of PLANFOR**

- Section 3.6.4 - *Economic Aspects* - This section has been substantially expanded with an explanation of the amount of financing required by PLANFOR and sources of funding for implementing the program. It also explains that specific projects financed by the Inter-American Development Bank and the Governments of Holland and Germany will fit within the program.
- Section 3.7.1 - *Aspects Related to ITTO* - This section has been expanded to explain where further support from ITTO will be sought for PLANFOR.

#### **Objectives**

- *Objective #1* - The revised project document retains outputs 1-3 as requested by the Panel. Furthermore, in output 1.4, CORMADERA explains a program approach on how to implement PLANFOR and show where ITTO fits within this plan giving reference to ITTO's Action Plan.
- *Objective #2* - As requested by the Panel, the objective and outputs dealing with nurseries have been eliminated.

#### **Budget**

- The budget has been reduced because the activities related to the nurseries have been eliminated. The total budget now stands at \$185,550, down from the previous \$502,000 and the ITTO request has been lowered to \$154,150, reduced from the former \$383,200.

#### **Consultant**

An international consultant has not been included in the revised pre-project proposal.

### Comments of the Ninth Panel

The Panel observed that this pre-project had been reformulated, and has followed most of the recommendations made by the Eighth Panel. In particular, the objective and activities pertaining to the nurseries have been removed. The Panel also commented that CORMADERA has had in experience executing ITTO projects in the past.

This pre-project states that there is not a balance between forest harvesting and regeneration in Ecuador. PLANFOR only addresses production in terms of plantations. The issue of natural forest management is not mentioned in the proposal and how natural forests fit into the overall picture of forest production. Therefore, the Panel felt that the proposal should detail the Government's plans for increasing production in natural forest. This background information would be complementary in the proposal.

The Panel noted that in the section on Risk Assessment, the third point mentioned a possible change in PLANFOR's methodologies. The Panel felt that CORMADERA must be sure that there are no changes in PLANFOR for at least two years to allow the successful completion of the pre-project. Furthermore, the proposal still did not include the TOR of key staff, nor specify in more detail the type of studies that would be carried out.

### Recommendations of the Ninth Panel

- a. Include the Terms of Reference of key staff.
- b. Provide background information on the Government's plans on improving productivity from natural forests and how PLANFOR fits into the Government's overall strategy for reducing the "wood deficit".

- c. Specify in more detail the type of studies which are to be carried out under the pre-project.
- d. Explain the Government's commitment to PLANFOR under the current plan for the next two years.

#### Conclusion of the Ninth Panel

The Panel concluded that, with the incorporation of these minor amendments, the pre-project should be recommended to the Permanent Committee for final appraisal and approval.

#### Addressing the Ninth Panel's Comments

The revised pre-project document was assessed by the Ninth Expert Panel in February/March 1995. The Addendum [PCF(XVI)/18] to the revised version addresses all of the Ninth Expert Panel's recommendations, as follows:

- Terms of reference of key staff have been included in Annex 1 of the Addendum.
- Background information on the Government's plans to improve the productivity of natural forests and the approach to fit PLANFOR into the Government's overall strategy for reducing the "wood deficit" have been provided in Annex 2 of the Addendum.
- Details of the studies to be carried out under the Pre-Project are described in Annex 3 of the Addendum.
- Government's commitment to PLANFOR under the current plan is referred to in Annex 4 of the Addendum.

#### Conclusions of the Sixteenth Committee

The Committee noted that the addendum to the pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the pre-project PPD 8/94 Rev.2 (F,I) and recommended the Council to allocate \$154,821 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 SIXTEENTH COMMITTEE 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					
PD 32/94 Rev.1	c, e	Facilitation	a, b, e	a, b, d	799,459	5	Panama	3
PD 2/95 Rev.1	c, f, h	R & D	a, b, h, i	all	996,448	2	South-East Asia	4
PD 3/95 Rev.2	b, c, f, h	R & D	all	all	668,891	4	Ghana	4
PD 8/95 Rev.1	f	Facilitation	a, b, d, e	all	1,252,475	2	Gabon	4
PD 9/95 Rev.1	f, h	Facilitation	all	all	704,503	3	Peru	4
PD 16/95 Rev.2	c, f, h	Facilitation & Demonstration	all	all	456,989	3	Indonesia	4
PPD 8/94 Rev.1	c, f	Diagnosis	c, e	b, d, e	154,821	1	Ecuador	4
PPD 6/95 Rev.1	c, e	Facilitation	b, e	a, b, d	251,407	13 (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

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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 FIFTEENTH 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					
PD 42/94 Rev.1	c, f	Demonstration			800,967	3	Peru	
PD 4/95	c, f, h	Facilitation & Demonstration			289,070	2	Panama	
PD 5/95	c, f, h	Diagnosis			337,600	2	Panama	
PD 6/95	c, f, h	Diagnosis			1,662,150	5	Panama	
PD 7/95	c, f, h	Diagnosis			904,662	3	Panama	
PD 10/95	b, c, f, h	R & D			493,800	3	Gabon	
PD 11/95	c, f, h	Facilitation			558,000	18 (months)	Gabon	
PD 12/95	c, f, h	Facilitation & Demonstration			272,685	2	Gabon	
PD 14/95	c, f, h	Demonstration			3,707,000	4	Malaysia	
PD 15/95	c, f, h	Facilitation			4,869,160	2.5	Indonesia	
PD 17/95	c, f, h	R & D			1,053,400	4	Japan	

- 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

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10 - 18 May 1995  
Accra, Ghana

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
SIXTEENTH SESSION OF THE PERMANENT COMMITTEE ON  
FOREST INDUSTRY

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## REPORT

### 1. Introduction

The Sixteenth Session was opened on 15 May 1995 by Mr. Jean Williams Sollo (Cameroon), the Chairman of the Committee. The list of Participants is reproduced in Document ITTC(XVIII)/Info.3 and ITTC(XVIII)/Info.3 Add.1.

### 2. Adoption of Agenda and Organization of Work

At its first meeting on 15 May 1995 the Committee adopted the agenda of its Sixteenth Session as contained in Document PCI(XVI)/1.

### 3. Admission of Observers

The list of Observers admitted by the Committee is contained in Document ITTC(XVIII)/2 Rev.1.

### 4. Market Discussion (Joint Session of Permanent Committees chaired by Prof. Achmad Sumitro, Indonesia)

The 1995 Market Discussion was preceded by the host country presentation: "The Forest Resources Situation and Developments in the Timber Trade and Industry of Ghana".

The main theme of the 1995 Market Discussion was "Substitution as it Affects the International Tropical Timber Trade". The Rapporteur was Mr. Geoffrey Pleydell, Trade Advisor of the U.K. Delegation.

The following were the discussion leaders and the topics of their presentations:

Mr. Peter Drake Senior Market Associate Reid Collins, Canada	"Substitution as it Affects the International Tropical Timber Market"
Mr. Frank Sheridan Past President, Member of the Board International Wood Products Association (IHPA), U.S.A.	"North American Market Perspective"
Mr. Jumat Ahmad Marketing Officer Malaysian Timber Industry Board (MTIB) Kuala Lumpur, Malaysia	"South-East Asian Perspective"
Mr. Atsuo Ida Assistant Director Wood Distribution Division Forest Policy Planning Dept. Forestry Agency (On behalf of Mr. Akihiko Araya, Manager, Overseas Research Division, Japan Wood Products Information and Research Center, Tokyo, Japan)	"The Japanese Market Perspective"

Mr. Peter Boateng  
Consulting Forest Economist  
Waldbau, Ltd.  
Takoradi, Ghana

"African Perspective"

Mr. Ad Wesselink  
Member of the Board of Directors  
European Tropical Timber Market  
Trade Federation (UCBT)  
Brussels, Belgium

"European Market Perspective"

Mr. Ivan Dantas Mesquita  
Martins  
Forest Engineer  
Ministry of the Environment  
Brasilia, Brazil  
Ms. Ana Maria Tapajos  
Brazilian Cooperation Agency  
Ministry of Foreign Affairs  
Brasilia, Brazil

"Latin American Perspective"

A Market Statement synthesizing the above papers and the ensuing discussions is contained in Appendix B of the report of the Permanent Committee on Economic Information and Market Intelligence.

The Annual Review and Assessment of the World Tropical Timber Situation will be discussed, together with Country Market Statements submitted by members, during the Seventeenth Session of the Permanent Committee in November 1995. Members were urged to provide responses to ITTO's Forecasting and Statistical Enquiry in a timely fashion.

#### 5. Report on Completed Projects

The Committee took note of the work accomplished on the projects completed since its last Session:

PD 4/87 Rev.1 (I)	TRAINING IN PLANNING AND MANAGEMENT OF FOREST INDUSTRIES IN DEVELOPING COUNTRIES
PD 108/90 Rev.1 (I)	FOREST INDUSTRY DEVELOPMENT STUDIES
PD 133/91 Rev.1 (I)	TECHNOLOGICAL AND DENDROLOGICAL STUDY ON SCHINOPSIS (ANACARDIACEAS) IN CHIQUITANIA AND THE BOLIVIAN CHACO

The Committee expressed its satisfaction with the successful completion of these projects. A summary of the work completed under these projects is presented in Document PCI(XVI)/3.

#### 6. Report on Completed Pre-Projects

The Committee took note of the information by the Secretariat that four pre-projects had been completed since its last Session:

- (i) INSTITUTIONAL STRENGTHENING OF IBAMA'S FOREST PRODUCTS LABORATORY [PPR 33/94 (I)]
- (ii) TECHNICAL AND ECONOMIC FEASIBILITY OF LARGE-SCALE CONSTRUCTION OF WOODEN HOUSE IN BRAZIL [PPR 32/94 (I)]

- (iii) THE INDUSTRIAL UTILIZATION AND MARKETING OF EUCALYPTUS PLANTATIONS OF THE PROVINCE OF LOJA, ECUADOR [PPR 34/95 (I)]
- (iv) CREATION OF A CENTER FOR THE PROMOTION OF LESSER-KNOWN SPECIES IN EUROPE  
[as a revised project document PD 5/92 Rev.1 (I)]

The Committee expressed its satisfaction with the completion of final reports of these pre-project studies, but decided to postpone consideration of two of them [PPR 33/94 (I) and PPR 34/95 (I)] until its next session because these pre-project reports were not available in time for advance distribution to members.

The Committee noted that the pre-project entitled "Technical and Economic Feasibility of Large-Scale Construction of Wooden Houses in Brazil" was successfully implemented by the Foundation of Parana University, in collaboration with the Brazilian Institute for Environment and Renewable Natural Resources (IBAMA).

This pre-project reviewed the use of wood construction in Latin America in general and in more detail in Brazil, where 45 percent of the total lumber production is used in housing construction, though most of it in temporary uses such as concrete formwork.

The study considered the technical, economical and environmental issues related to the use of wood in construction in the region and assessed past programs implemented to promote wider utilization of wood by the building industry, including the comprehensive program implemented by the Andean Pact countries to develop and promote wooden housing.

The study considered further actions needed to promote wood construction and developed a project profile for the implementation of training, extension and promotion activities designed to facilitate and increase the use of wood by the building industry. The planned project is to cover Brazil, Ecuador and Peru and will involve the construction of 600 houses using wood and other raw materials. The Committee requested the Secretariat to make the pre-project report [PPR 34/94 (I)] available to all interested parties.

ONADEF (Cameroon), the implementing agency for the pre-project entitled "Creation of a Center for the Promotion of Lesser-Known Species in Europe", presented the results of this study, which led to the conclusion that the establishment of such a center is desirable and technically and financially feasible. The pre-project prepared a revised project proposal [PD 5/92 Rev. 1 (I)] for the establishment of a promotion center in Europe with the following objectives:

- (i) to provide a means for the two-way flow of information between producer and consumer countries of tropical hardwoods about, on the one hand, the technical properties, sources and sustainable availability of different species and qualities and, on the other, markets, end-uses, required technical properties, etc.;
- (ii) to make available to industries in consumer countries small quantities of selected species for trial manufacturing runs;
- (iii) to provide a technical advisory service to importers, converters (wood-working industries) and others in consumer countries, especially small and medium-size enterprises, on the suitability of lesser known species for particular uses;
- (iv) to provide a service to assist traders in producer and consumer countries, especially small and medium-size enterprises, to establish commercial contacts for developing the trade and markets in lesser known species.

The Committee expressed its satisfaction with the work completed and presented by ONADEF and recommended that the revised project proposal submitted by the government of Cameroon, be made available for consideration by the Expert Panel for Technical Appraisal of Project Proposals before consideration by the Committee at its next session.

## 7. Report on Project Work in Progress

The Committee reviewed the work underway in nineteen ITTO approved and financed projects in the field of Forest Industry. The full report on project work in progress is reproduced in document PCI(XVI)/4.

Further information on implementation progress was given by the ITTO Secretariat, member countries and implementing agencies on the projects: PD 3.a/87 Rev.2 (I) (Cameroon), PD 60/89 (M,F,I) (ITTO Secretariat), PD 73/89 (M,F,I) (ITTO Secretariat), PD 94/90 (Brazil), PD 109/90 Rev.4 (I) (Cote d'Ivoire), PD 179/91 Rev.1 (I) (Ghana), PD 20/92 Rev.1 (I) (China) and PD 17/93 Rev.3 (M,F,I) (ITTO Secretariat).

The Committee reviewed in more detail progress in the implementation of project PD 1/93 Rev.1 (M,F,I). The Committee noted that the number of fellowship applicants from French-speaking Africa is still limited, in spite of the Secretariat's efforts to disseminate information on the program to the countries in the region. The Committee trusted that with wider dissemination of the ITTO Tropical Forest Update Newsletter in Africa, advertising the Fellowship Programme, more applications from the subregion will be forthcoming. The Committee reiterated its trust on the importance and usefulness of this fellowship project and decided to recommend to the council the extension of the program for one year with an additional allocation of US\$ 413,182.

The Committee also considered in further detail the implementation of project PD 94/90 Rev. 3 (I), recalling the measures it had recommended to overcome certain implementation difficulties related to the legal ownership of the project area. The Committee was informed of actions taken by relevant agencies of the Brazilian government and by the project steering committee, which at its March 1995 meeting included a representative of Switzerland. The Committee was further informed that the land tenure situation of a significant share of the project area (20,000 ha) is about to be solved and that this area will be made available for the implementation of the forest management plan prepared under the project. The Committee expressed its gratitude to all parties involved in the work to facilitate implementation of this important project, and expressed its trust that efforts will continue to remove difficulties in the remaining parts of the project area.

On its review of implementation of project PD 150/91 Rev.1 (I) "Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Subregion" (Peru), the Committee recalled the considerable work ITTO supported to develop data banks on lesser-used tropical species, and requested the Secretariat to work closely with the project implementation agency to ensure that the data and results of the project are made available to the agencies developing these data banks, ensuring that the information generated by the project is easily accessed by all interested parties.

## 8. Report on Pre-Project Work in Progress

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

- |       |                    |  |
|-------|--------------------|--|
| (i)   | 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" |
| (ii)  | PPD 5/91 (I)       | PRE-FEASIBILITY STUDY ON HARMONIZATION OF TROPICAL PLYWOOD STANDARDS   |
| (iii) | PPD 2/92 Rev.1 (I) | SUSTAINABLE DEVELOPMENT OF THE PLYWOOD INDUSTRY IN LATIN AMERICA   |

- |        |                    |  |
|--------|--------------------|--|
| (iv)   | PPD 11/92 (I)      | REVIEWING AND PREPARING SUPPORTING DOCUMENTS FOR WORK ON GUIDELINES FOR SUSTAINABLE DEVELOPMENT OF FOREST INDUSTRIES   |
| (v)    | 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 |
| (vi)   | PPD 6/94 Rev.1 (I) | DEVELOPMENT AND EXTENSION OF RUBBERWOOD PROCESSING TECHNOLOGY  |
| (vii)  | PPD 7/94 Rev.2 (I) | PRE-PROJECT FOR THE ESTABLISHMENT OF THE AIMA FOREST CORPORATION - CORFOAIMA   |
| (viii) | PPD 9/94 Rev.2 (I) | VALUE-ADDED WOOD PROCESSING OF FAST GROWING TROPICAL SPECIES   |

The Committee considered and held discussions on the Draft Guidelines for the Development of Sustainable Forest Industry, prepared by an expert panel which meet under pre-project PPD 11/92 (I) "Reviewing and Preparing Supporting Documents for Work on Guidelines for Sustainable Development of Forest Industries". The Committee expressed its gratitude to the Chairman (Mr. Franklin Moore) and to the members of the expert panel that prepared the draft guidelines. The Committee noted that the expert panel worked under time constraints and dealt with a complex issue. It was emphasized that questions related to the need for and scope of these guidelines, their potential users and beneficiaries still need to be further discussed by committee members.

In its very preliminary assessment of these first draft guidelines, the committee noted that further attention must be given to the level of raw material processing and use; timber processing technologies; quality and technological level of manufactured wood products; timber price forming mechanisms; waste reduction and improving residue utilization; improvement of workers wages and safety in forest industries; and training for the industries manpower development.

The Committee agreed that these draft guidelines prepared by the expert panel are only the initial step in the process of developing ITTO's "Guidelines for Development of Sustainable Forest Industries", and explored various options to continue its work towards this objective. The Committee decided to invite members to submit to the ITTO Secretariat by 31 August 1995 their views and comments on the draft guidelines and on their applicability and beneficiaries. The Committee requested the Secretariat to compile and summarize the contributions from member countries, which shall be made available for consideration at the seventeenth Committee session to be held in November in Yokohama, Japan. In case a large number of contributions are received from members, the Committee recommends the convening of a small working group with experts of both producing and consumer members to assist compiling and summarizing the information received, and to offer preliminary technical views on the material received. To this effect, the Committee decided to recommend to council an additional allocation of funds to this pre-project, amounting to US\$ 66,300, to finance the working group if needed.

The Committee requested the ITTO Secretariat to expedite the work to complete translation of the "Draft Guidelines for the Development of Sustainable Forest Industries (PCI(XVI)/7)" and to send this document to Spanish and French-speaking member countries as soon as possible.

#### 9. 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 47/94 Rev.1 (I)	INDUSTRIAL UTILIZATION OF LESSER-KNOWN FOREST SPECIES IN SUSTAINABLY MANAGED FORESTS	GOVERNMENT OF HONDURAS
PD 48/94 Rev.1 (I)	UTILIZATION, DEMONSTRATION, AND PROMOTION OF INDUSTRIAL USE OF CERTAIN LESSER-USED SPECIES (LUS) IN THE NORTHWEST REGION OF ECUADOR	GOVERNMENT OF ECUADOR
PD 13/95 Rev.1 (I)	CAPACITY BUILDING IN TRAINING IN PLANNING AND MANAGEMENT OF FOREST INDUSTRIES IN ITTO PRODUCER MEMBER COUNTRIES	GOVERNMENT OF FINLAND
PD 19/95 (I)	RESEARCH AND DEVELOPMENT FOR INTRODUCTION OF BIOMASS CONVERSION TECHNOLOGIES (WOOD AND AGROINDUSTRIAL RESIDUES) IN THE INDUSTRY AND TRADE SECTOR	GOVERNMENT OF CAMEROON
PD 20/95 Rev.1 (I)	CHEMICAL MODIFICATION OF BAMBOO CULMS AND THEIR RESISTANCE TO WEATHERING	GOVERNMENT OF CHINA
PD 21/95 Rev.1 (I)	COMPREHENSIVE STUDIES ON THE STRUCTURE AND PROPERTIES OF RATTANS FOR EFFECTIVE UTILIZATION	GOVERNMENT OF CHINA

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(XVI)/1. The Committee decided to endorse the Panel's recommendations for the complete reformulation and resubmission to the Panel of the project proposals PD 47/94 Rev.1 (I) and PD 48/94 Rev.1.

The Government of Honduras informed the Committee on the establishment of a working group in the Honduran Corporation for Forestry Development (COHDEFOR) for the reformulation of project proposal PD 47/94 Rev.1 (I), in accordance with the recommendations of the expert panel for technical appraisal of project proposals. The Committee expressed its satisfaction with the information that Honduras will select five areas to study production of Lesser Used Species under sustainable forest management, taking full account of the need to consider impact of an increased utilization of Lesser-Used Species, encompassing the economic, social and environmental impacts at all stages of the timber supply chain.

The project proposal PD 19/95 (I) was withdrawn by the Government of Cameroon in view of its incorporation in the approved revision of project PD 39/93 Rev.3 (I) "Research and Development in Energy Alternatives from Biomass through Briquetting, Gasification and Direct Combustion", which will be implemented by the Forest Research Institute of Malaysia in collaboration with the Energy Research Laboratory (Cameroon). This latest version of PD 39/93 was prepared by the government of Malaysia in collaboration with the Common Fund for Commodities and approved by the Committee during this session to replace the previously approved project proposal, PD 39/93 Rev.2 (I).

Project proposals PD 13/95 Rev.2 (I), PD 20/95 Rev.1 (I) and PD 21/95 Rev.1. (I), which were reformulated 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 two project proposals are presented in Appendix I.

The Committee also considered a project idea, "Seminar to Prepare Proposals for Networked Research on the Utilization of Small Logs from Plantations in Africa", sponsored by the Government of Ghana. The Committee agreed that research work of plantation species is important to promote improved processing and use of wood from plantations in Africa, and supported the proposal for convening a seminar to bring researchers together in Ghana to discuss research proposals and to lead to the initiation of a practical research network. The Committee encouraged the preparation and submission of a project proposal designed to prepare and convene this seminar.

#### 10. Decision on Pre-Project Work

The Committee decided to further increase the budget of previously approved pre-project entitled "Reviewing and Preparing Supporting Documents for Work on Guidelines for Sustainable Development of Forest Industries". The Committee agreed with a supplementary allocation of US\$ 66,300 to finance the work of a working group that may be needed to consider members comments to the "Draft Guidelines for Sustainable Development of Forest Industries", prepared by the Expert Panel which met in Kuala Lumpur from 16-20 January 1995. This budget has been estimated considering that the working group will meet with three representatives each of producers and consumers, and the Chairman of the Kuala Lumpur Panel, Mr. Franklin Moore.

#### 11. 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 Sixteenth Session and select the successful candidates. The selection panel was composed of:

Mr. Don Wije-wardana	(New Zealand)	ITTC Vice-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 eighty-two applications and recommended to the Permanent Committee that twenty-six be approved, subject to the availability of funds at a total cost of approximately US\$ 150,000. The applications approved are listed in Appendix II.

#### 12. Dates and Venue of the Nineteenth Session

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

#### 13. Other Business

The Government of Ghana informed the Committee that the Forestry Research Institute of Ghana (FORIG) is planning to hold an international conference on "Value-Added Hardwood Processing" in 1996 in Kumasi, Ghana. The aim of the conference will be to foster value-added manufacturing in wood products; to explore avenues of providing technical assistance to small and medium-sized timber processing companies; and to provide an industry perspective which may be useful in the state policy development process.

14. 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:

PD 47/94 Rev.1 (I) INDUSTRIAL UTILIZATION OF LESSER-KNOWN FOREST SPECIES  
IN SUSTAINABLY MANAGED FORESTS  
SUBMITTED BY GOVERNMENT OF HONDURAS

PD 48/94 Rev.1 (I) UTILIZATION, DEMONSTRATION, AND PROMOTION OF  
INDUSTRIAL USE OF CERTAIN LESSER-USED SPECIES (LUS) IN  
THE NORTHWEST REGION OF ECUADOR  
SUBMITTED BY GOVERNMENT OF ECUADOR

2. To approve for implementation the following project proposals:

PD 13/95 Rev.2 (I) CAPACITY BUILDING IN TRAINING IN PLANNING AND  
MANAGEMENT OF FOREST INDUSTRIES IN ITTO PRODUCER  
MEMBER COUNTRIES  
SUBMITTED BY GOVERNMENT OF FINLAND

PD 20/95 Rev.2 (I) CHEMICAL MODIFICATION OF BAMBOO CULMS AND THEIR  
RESISTANCE TO WEATHERING  
SUBMITTED BY GOVERNMENT OF CHINA

PD 21/95 Rev.2 (I) COMPREHENSIVE STUDIES ON THE STRUCTURE AND  
PROPERTIES OF RATTANS FOR EFFECTIVE UTILIZATION  
SUBMITTED BY GOVERNMENT OF CHINA

PD 39/93 Rev.3 (I) RESEARCH AND DEVELOPMENT IN ENERGY ALTERNATIVE FROM  
BIOMASS (WOOD AND AGRICULTURAL RESIDUES) THROUGH  
BRIQUETTING, GASIFICATION AND DIRECT COMBUSTION  
SUBMITTED BY GOVERNMENT OF MALAYSIA AND  
CAMEROON

3. To provide funds (US\$ 413,182) for a one-year extension of the fellowship programme implemented under project PD 1/93 Rev.1. (M,F,I).

4. To provide funds to increase by US\$ 66,300 the budget of the pre-project entitled "Reviewing and Preparing Supporting Documents for Work on Guidelines for Sustainable Development of Forest Industries [PPD 11/92 (I)]"

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:

Projects

PD 79/90 Rev.3 (I): Seminar and Roundtable on the Development of  
Furniture and Joinery Industries (US\$240,275)

PD 4/93 Rev.4 (I): Furniture Industry Development Program  
(US\$595,231)

PD 29/93 Rev.2 (M,F,I): International Workshop: Development of Sustainable  
System for Utilization of Tropical Forest Resources  
(US\$201,716)



15. Report of the Session

The Committee adopted this report for submission to the Council.

APPENDIX I

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.1 (I)	c,e,f,g	R & D Marketing and Demonstration	a,b,d	a,b,c,d,e	668,800	2 years	Honduras	2
PD 48/94 Rev.1 (I)	c,e,f,g	R & D Marketing and Demonstration	a,b,d	a,b,c,d,e	860,901	3 years	Ecuador	2
PD 13/95 Rev.2 (I)	c,e,f,g	Forest Industries Training	a,b,c,d,e	a,b,c,d,e	1,302,890	39 months	Africa Asia/Pacific Latin America/ Caribbean	4
PD 39/93 Rev.3 (I)	e,f,g,h	R & D Demonstration	a,b,d,e	a,b,c,d	1,390,195	3 years	Selected Countries of Africa & Asia/Pacific	4
PD 20/95 Rev.2 (I)	c,g	R & D	a,d	a,b,c,d	83,345	4 years	China	4
PD 21/95 Rev.2 (I)	c,g	R & D	a,d	a,b,c,d	88,620	4 years	China	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).

/...

APPENDIX I

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

PD 13/95 Rev.1 (I)      *"Capacity Building in Training in Planning and Management of Forest Industries in ITTO Producer Member Countries"*

The Committee endorsed the expert panel view that this project meets ITTO objectives and that it is highly relevant to the implementation of ITTO Action Plan on Human Resources Development. The Committee agreed that the revised proposal submitted for appraisal reflected the complete reformulation recommended by the expert panel and, after a detailed examination of amendments and new design elements, introduced following the panel's appraisal, it found that the proposal could be commended for approval by the council. The Committee decided to recommend for council approval a revised proposal [PD 13/95 Rev.2 (I)] incorporating minor amendments in the budget for ITTO administrative, evaluation and monitoring costs, as well as further details on the project personnel budget and budget for supporting activities by the local training institutes.

PD 20/95 Rev.1 (I)      *"Chemical Modification of Bamboo Culms and their Resistance to Weathering"*

The Committee agreed that under the ITTA 1983, bamboo is not considered "tropical timber", but that its utilization, as well as utilization of other non-timber forest products, can contribute to sustainable management of natural tropical forests. Though some members were of the opinion that research to chemically modify bamboo species was not of high priority to ITTO, the Committee felt the proposal merits support because of its potential to improve performance and expanding working life of bamboo used in products such as housing and furniture in producing and consuming countries. In response to Committee inquiries, the government of China clarified and revised the project document to make sure that the project will not promote substitution of tropical timber and that it will aim primarily at improving the performance of a tropical forest product (bamboo) widely available and used in China and in producing regions.

The Committee decided to recommend for Council approval a revised proposal (PD 20/95 Rev.2 (I)) incorporating the clarifications mentioned above and minor amendments in the budget for ITTO administrative, evaluation and monitoring costs.

The Brazilian delegation expressed concerns over projects presented by consuming countries, aiming at promoting products other than tropical timber. The Brazilian delegation invited committee members to fully consider the implications of supporting projects that are not of high priority to promote the development and utilization of tropical timber as defined in the International Tropical Timber Agreement.

PD 21/95 Rev.1 (I)      *"Comprehensive Studies of the Structure and Properties of Rattans for Effective Utilization"*

The Committee was of the opinion that the research proposed in this project will contribute to facilitate rattan import and use by consumers, particularly China. However, some members felt that the proposed activities are not of high priority to ITTO in view of increasingly reduced supplies of rattan and the legitimate desire of producing countries to export products such as rattan furniture rather than rattan raw materials.

However, the Committee also agreed that the project has a potential to increase knowledge on less well known rattan species of West Africa and Latin America, and to increase availability of information on rattan processing technologies to producing countries, and thus could be commended for council approval. The Committee decided to recommend to Council the approval of a revised proposal [PD 21/95 Rev.2 (I)], with provision to expand the project activities to include selected Latin American rattan species and dissemination in producing countries of information on rattan processing and uses. The revised proposal also included minor amendments in the budget to finance ITTO administrative costs.

APPENDIX II

LIST OF FELLOWSHIPS APPROVED  
(Report of the Selection Panel)

PERMANENT COMMITTEE ON FOREST INDUSTRY

69/C18/95S Frimpong-Mensah, Kwasi	Ghana	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland
77/C18/95S deGraft-Yartey, John	Ghana	Attachment to Institution, Forintek Canada Corp. Eastern Division, Quebec, Canada
10/C18/95S Anantha Narayan, S.	India	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland
81/C18/95S Kodzi Jr., Emmanuel	Ghana	Attachment to Institution, Institut Werkzeugmaschinen und Fertigungstechnik in Braunschweig, Germany

PERMANENT COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

01/C18/95S Baysahwala, Patrick Jallah	Liberia	Short Training Course - Research Methods In Forestry at the Universities of Oxford and Reading, U.K.
04/C18/95S Eba'a-Atyi, Richard	Cameroon	Conference Participation - The XXth IUFRO World Congress, Tampere, Finland
17/C18/95S Salamanca, Eric Florendo	Philippines	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland
18/C18/95S Sah, Shambhu Prasad	Nepal	Short Training Course - A short course on Geographic Information Systems & Environmental Modelling at ANUTECH Ply. Ltd., Canberra, Australia
20/C18/95S Lal, Jugal Behari	India	Study tour to forests in Malaysia and Indonesia and deliver a paper based on the study at the 15th Commonwealth Forestry Conference at Victoria Falls, Zimbabwe in 1997
24/C18/95S Soriano, Honorio Jr.	Philippines	Short Training Course - A short course on Geographic Information Systems & Environmental Modelling ANUTECH Ply. Ltd., Canberra, Australia.
33/C18/95S Sudheendrakumar, V.V.	India	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland

36/C18/95S Das, Abhoy Kumar	Nepal	Research on Standardization of Intercropping Models for NTEP Species Grown in Mixture Under Tree Farming System in Nepal
48C18/95S Muhammad Farid, Abdul	Malaysia	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland
49/C18/95S Masripatin, Nur	Indonesia	Deliver Conference Paper - EFI/IUFRO Workshop on Internet Applications and Electronic Information Resources in Forestry and Environmental Sciences, Joensuu, Finland
52/C18/95S Zhai, Yushun	China	Research on the survey of reforestation progress in southeast Queensland at the Department of Economics, The University of Queensland, Brisbane, Australia.
54/C18/95S Chauhan, Pratap Singh	India	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland
59/C18/95S Rai, Stephen Vinaya	India	Attachment to Institution Lehrstuhl für Waldbau und Forsteinrichtung, Freising, Germany.
60/C18/95S Valdés, Miguel Conrado	Honduras	Conference Participation - The XXth IUFRO World Congress, Tampere, Finland
62/C18/95S Costales, Adelaida	Philippines	Short Training Course - III International Biodiversity Measuring Monitoring Course at the Conservation & Research Center, Virginia, U.S.A.
64/C18/95S Blay, Dominic	Ghana	Attachment to Institution - Instituto Nacional de Pesquisas da Amazonia (INPA) in Manaus, Brazil
65/C18/95S Ndeso-Atnaga, Adama	Cameroon	Short Training Course - A short course on Benefit-Cost Analysis and Environmental Impact Assessment at the University of New England, Armidale, Australia.
68/C18/95S Toky, Om Parkash	India	Deliver Conference Paper - The XXth IUFRO World Congress, Tampere, Finland
70/C18/95S Poynton, Scott Anthony	Australia	Deliver Conference Paper - International Symposium on Recent Advances in Tropical Tree Seed Technology and Planting Stock Production, ASEAN Forest Tree Seed Centre Project, Haad -Yai, Thailand
72/C18/95S Bezou, Bernard	Congo	Short Training Course - Centre Regional de Teledetection (Regional Remote Sensing Centre) at Ouagadougou, Burkina Faso

83/C18/95S Ganefia, Yetty

Indonesia

Deliver Conference Paper - International Symposium on Recent Advances in Tropical Tree Seed Technology and Planting Stock Production, ASEAN Forest Tree Seed Centre Project, Haad-Yai, Thailand.

85/C18/95S Ansari, Abdul Sahim

Nepal

BS Program in Forestry course at Pakistan Forest Institute, Peshawar, Pakistan

PERMANENT COMMITTEE ON ECONOMIC INFORMATION  
AND MARKET INTELLIGENCE

No fellowships were approved in the field of Economic Information and Market Intelligence.

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