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16-23 May 1994
Cartagena de Indias, Colombia

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

Cartagena de Indias, Colombia
16-23 May 1994

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REPORT

{Item I: Opening Ceremony}

1. The Sixteenth Session was opened by the Chairman, Mr. Yoichi Suzuki (Japan). In his opening address, the Chairman welcomed the distinguished guests and all delegates, expressing his particular gratitude to the Government of Colombia for inviting Council to the beautiful and historic city of Cartagena de Indias. Indeed, the host Minister, H.E. Dr. Manuel Rodriguez Becerra, Minister of the Environment, would personally address the Council, as would H.E. Mr. Jose Guillermo Justiniano, Minister of the world's first Ministry of Sustainable Development, in Bolivia, and H.E. Mr. Rodolfo Matsuda Matsuura, Vice-Minister of Agriculture of Peru.

The Chairman observed that this was the third occasion on which Council had convened in Latin America. Overseas sessions were a unique feature of the Organization, enabling the three tropical regions to share their knowledge and experiences. Furthermore, this session was the first since the Second Special Session which concluded the negotiations through which the international community had adopted the text of a successor Agreement, the International Tropical Timber Agreement, 1994. The negotiations had not been easy, nor was the new Agreement perfect, but nevertheless it was able to build upon the cumulative strength and experience gained from the existing Agreement.

Mr. Suzuki paid tribute to the skilful leadership of the Chairman of the U.N. Negotiating Conference, H.E. Mr. Wisber Loeis of Indonesia, and announced that his own country, Japan, was starting the process leading to early ratification of the ITTA, 1994. He appealed to all Members to do likewise, so that the new Agreement might enter into force at the earliest possible moment.

The Year of the Forest, 1995, was close at hand. The U.N. Commission on Sustainable Development would focus on the forests of the world and ITTO would undertake a mid-term review of progress towards its Year 2000 Objective. The Organization had emerged as an important forum in this process, and its role had been acknowledged in the decisions of UNCED and Agenda 21. The Chairman urged all Members to adopt a serious approach to the 1995 review, especially as the new Agreement had established a special resource, the Bali Partnership Fund, whose express purpose was to assist nations to achieve the Objective.

The Chairman concluded by drawing an analogy between ITTO and a tropical forest. Not only the collective efforts of all Members, but also the contributions of trade associations and non-governmental conservation organizations had succeeded in establishing this forest and nurturing it through its fragile stage. He had every confidence in its future as a fully mature and productive forest.

2. Owing to urgent Government business, the President of the Republic of Colombia, H.E. Mr. Cesar Gaviria Trujillo, was unable to attend, but graciously sent a message to the Council, in recognition of its work to protect one of the planet's most important and most threatened resources. The President of the Republic said that the Session was significant for both exporters and importers, for today the forests were the object of discussions in respect of their role as carbon sinks for disproportionate emission levels of certain gases, especially on the part of developed countries. Equally relevant was the sustainable improvement of forests in sheltering communities who depended upon them for survival.

The transfer of financial resources and technology to developing countries was essential to complement their own efforts in the search for an ecological development which would be socially and economically viable in the context of their forests. No less important was the non-discriminatory treatment of tropical timber and its derivatives in external markets. Developing countries could not work for sustainable management if they faced commercial barriers to their products.

The President of Colombia concluded his message to the Council by wishing, on behalf of all Colombians, that positive results might emanate from the Session. He thanked the Organization for inviting him to open the Session and welcomed delegates to his country.

3. The Minister of the Environment for Colombia, H.E. Dr. Manuel Rodriguez Becerra, recalled the achievements of the ITTA, 1983 which had taught important lessons on the responsibilities inherent in the task of improved conservation of the tropical forests of the planet. In recalling the Organization's work, the leading notion of sustainability was paramount. But it was an ambiguous concept with inherent difficulties such as the the unequal relationship between North and South; national and global interests; the aspirations of present and future generations to satisfy their necessities; the interest of the individual and of the community; the conservation and wise use of the environment and economic and social development.

These conflicts, the Minister warned, are far from being resolved, as the outcome of the Earth Summit in Rio and the ITTA negotiations had shown. Both found the global partnership needed to set the world on the path to sustainable development as scarcely a fiction; in spite of the Rio agreement on the necessity of new and additional resources and on the transfer of environmental technology on preferential terms, the developed countries had failed to meet their obligations.

The Minister noted that neither the sustainable development of the planet as a whole, nor the sustainable development of a specific area such as the forests was feasible without these essential elements of global solidarity which were rooted in principles of equality and justice consecrated in the Rio Declaration such as the different communal responsibility of nations for environmental damage inflicted on the planet. At the same time it was necessary to underline that the relationship between the environment and sustainable development could mask the problems mentioned without resolving them and thereby represent a political compromise susceptible to diverse legal interpretations. It could also be a dangerous artifice which might create for both the international and the local community the illusion that they had reached agreement on a target of substance.

In relation to the negotiation of a successor Agreement, the Minister stated that in his country's view the crucial matter of the expansion of the scope to all types of timber had not been resolved. Nor did it appear that agreement had been reached on the issue of new and additional resources and the transfer of technology. Again this repeated the total disregard for the Rio agreements which also paradoxically showed ignorance of the Commission on Sustainable Development, whose mandate it was to carry out exactly this task. Whilst these points remained unresolved it seemed to Colombia that schemes for certification of forest products were unacceptable. Besides, to advance to the ultimate objective required, the resolution of complex themes such as the origin of the resources needed to pay for the incremental costs of sustainable management of tropical production forests; the institutional mechanisms through which producing countries will implement certification; technology transfer; and the guarantees that substitution of forest products by environmentally harmful substances, not subject to certification, will not occur. Consequently Colombia believed that the World Trade Organization was the institution charged with identifying those goods susceptible to certification and with defining the fundamental criteria.

The Minister drew delegates' attention to the Colombian law 99, enacted in 1993, which created his Ministry (of the Environment). Apart from establishing the necessary institution, the new law made provision for new resources in programmes with citizen participation. The Ministry will define policies, plans, and programmes for the conservation and sustainable management of the forests. It will examine areas capable of improved production and assess species and volumes, executing its programmes through delegation to autonomous regional corporations. At the same time it will cooperate with the Ministry of Agriculture to create agricultural reserves, since colonization is the main cause of deforestation in the country. Forestry sector planning was being funded through an ITTO pre-project {PPD 44/91 (F)}, as well as through other significant projects. Other forestry programmes proposed included those in forest research, biodiversity conservation, and also a

scheme, approved by the President, to subsidize forest plantations, an activity which had been slow to develop in Colombia.

In emphasizing his country's determination to achieve sustainable development, the Minister recognized that there was still much work to do to create conditions at the national and the global level conducive to attaining this objective. Colombia was not about to renounce her commitment to the Rio agreement; that was a matter concerning the consumer countries.

The Minister concluded by saying that the present session would play a part in the process he had outlined. Colombia was honoured by the presence of the ITTC delegates, and the characteristic hospitality of the beautiful city of Cartagena would be offered in response.

4. The Minister of Sustainable Development and the Environment of Bolivia, Licenciado José Guillermo Justiniano, recorded the long involvement of Bolivia in ITTO affairs, an involvement which had allowed her to shape forest policies and management practices in accordance with international guidelines. Bolivia had participated actively in the negotiations for a successor agreement and would accede to the ITTA, 1994.

In a macroeconomic context, the Minister said, Bolivia was initiating fundamental reforms which would fit the country for the twenty-first century. A new paradigm of sustainable development based on social equality, and natural resource utilization bound by environmental quality concerns was being forged and would permit a greater democratic participation of the whole community in development. Therefore, the Constitutional President of the Republic himself presided over a National Council of Sustainable Development formed of the Ministries of Economic Development, Human Development, Foreign Affairs and Defense, and his own Ministry, that of Sustainable Development and Environment, whose Minister acted as "*primo inter pares*" within the new structure.

The Minister noted that these changes had already led to a new Forestry Bill, which had passed through the Chamber of Deputies and was now being revised by the Chamber of Senators. This legislation drew on ITTO guidelines in its forest management intentions, besides democratizing access to the resource and permitting audit by national and international organizations. Other new laws were those covering Land, Water, Biological Diversity, Land Tenure, and others. Grassroots participation would be encouraged through the creation of urban and rural councils with decision-making powers, a popular de-centralisation of power in society.

H.E. Lic. Justiniano reminded Council that the Chimanés project {PD 34/88 (F)} had begun its first phase four years ago. Initially the project faced all kinds of difficulties, but these were gradually overcome, and the recent ITTO evaluation vindicated the need for a fully funded second phase leading to the achievement of the Year 2000 Objective for this important region.

Bolivia had observed with keen interest the progress of the ITTO Sarawak Mission and the implementation by the Government of its policy recommendations for achieving sustainable management of forest resources in this rich forest formation of Asia. The Minister indicated his country's interest in a similar mission which would help Bolivia to plan a long term policy for the sustainable management of her forest resources. He invited the ITTO Secretariat to visit his country for the initial preparations which would allow a proposal to be presented to the Council for approval and funding. Bolivia was willing to undertake her part of the joint efforts required to carry out a successful mission.

The Minister then referred to the CITES' move on restriction of the timber trade from his and other tropical producing countries. This would cause Bolivia to face serious problems of marketability for some of her most important species. Because it was believed the CITES instigators did not truly understand the final results of their actions Bolivia called upon ITTO to investigate the use of more transparent market mechanisms and positive certification mechanisms to promote the sustainable management of their forests. Bolivia was not opposed to the CITES control techniques but she was

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opposed to forms which would tend to encourage corruption in the complex administrative procedures of tropical countries.

In Bolivia's opinion, mahogany was not threatened with extinction, but faced a problem of management of disturbed forests due to an imbalance of logging and the species' capacity for regeneration.

In conclusion, the Minister thanked the Executive Director and his Secretariat whose work had assisted his country in the development of suitable forest policies. He was sure the ITTC forum would remain important as an agency promoting sustainable development.

5. The Vice-Minister of Agriculture of Peru, Dr. Rodolfo Matsuda Matsuura, described his country's experiences with sustainable development of its forests.

Sixty percent of Peru's 128.5 million hectares was naturally forested, largely in Amazonia. For some decades Peru had maintained a special pre-occupation with the conservation of these resources, and in 1975 this culminated in the Forest and Forest Fauna Law. Unfortunately, although this law requires management plans for all concessions over 1,000 ha, in practice more than 90% of new contracts are for extensions of less than this area to avoid the obligation, and those few concluded for larger areas have plans which are poorly designed or not well applied for various technical and economic reasons.

However, a number of initiatives were underway with international support. The Vice-Minister cited the establishment of forest plantations by research institutes in Huanaco, and Swiss assistance with both exotic and native species. In the 'seventies, UNDP and FAO had been active in the Alexander von Humboldt National Forest, later to be followed by JICA and more recently German aid had been used to establish plantations in Pasco Department. Belgian and U.S. Government assistance had been employed in strip regeneration experiments in natural forest. All these experiences constituted valuable information for implementation of Peruvian Government forest policy.

The Vice-Minister indicated that new draft legislation would widen the requirement for management plans and would seek the active participation of the private sector through modalities to ensure the security of their investments, reducing the role of the State to that of supervisor and exemplar. For example, the DANTAS project, executed by the National Agriculture University - La Molina, with Swiss support, sought to advance scientific knowledge on sustainable management, and at the same time to train professionals in the comprehension of the processes involved.

Finally, the Vice-Minister referred to the ITTO Project PD 95/90 (F), whose first phase was nearly complete. Its objective had been to prepare a management plan for the 105,000 ha. Alexander von Humboldt National Forest based on a 30-year cutting cycle. The project was a major step forward in the implementation of the Government's forest policies which endeavoured to demonstrate the feasibility of sustainable forest management. The first inventory and demarcation of the 3,500 ha. annual exploitation area, whose cutting rights were to be publicly auctioned in stands of about 200 ha., would lead to funds for the medium-term management of the project. Peru earnestly hoped Phase II of the Project would be approved and funded by the Council. Even a few months' gap would adversely affect implementation.

The Vice-Minister then turned to the implementation of PD 188/91 Rev.1 (F) in the Rioja region since September 1992. This region had one of the country's highest deforestation rates. The three areas of countervailing actions were the production of nursery transplants for plantations and encouragement of natural regeneration; extension and training; and research. All these objectives would be completed when the project finished in the near future.

A new project proposed, for the Alto Mayo region, sought to establish a demonstration model, to create a centre for technology transfer, and to form communal production units, all with the express purpose of halting deforestation.

The Project PD 42/92 Rev.1 (F) - Phase I, which had commenced in April 1994, had similar objectives for an area of 20,000 ha. in the cloud forests of Jaen-San Ignacio affected by shifting cultivation. A programme of extension would work towards community forest units and applied forest research would also be undertaken.

In summary, the Vice-Minister said, thanks to the financial programme of the ITTO in his country, Peru was drawing closer, through elaboration of these management plans, to fulfilling the Year 2000 Objective. He wished to assure the Council that Peru was totally dedicated to this ideal, destined as it was to assure the welfare of both present and future generations.

6. At the close of the Opening Ceremony, delegates were able to view an award-winning slide-diffusion show on Colombia, through the courtesy of the Colombian Government, before re-commencing business.

{Item 2: Ascertainment of the Quorum}

7. 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}

8. The Council adopted its agenda (Annex II of this document) and the Chairman noted that the organization for the day was agreed, with tentative programmes for succeeding days to be discussed. The continuation of the Working Party on Certification of All Timber and Timber Products would continue under the auspices of the Joint Committees.

{Item 4: Report on the Membership of Council}

9. The Executive Director reported that the Government of Venezuela had acceded to the ITTA, 1983 on 31 March, 1994. Venezuela became the fifty-second member of the Organization, and the twenty-fifth producing member. (Annex III of this document gives a current list of the Membership of Council).

{Item 5: Distribution of Votes}

10. The Executive Director referred Council to the annex to Document ITTC(XVI)/1, which recorded the distribution of votes prior to Venezuela's accession. Document ITTC(XVI)/4, detailing Venezuela's assessed contribution to the Administrative Budget for 1994, was tabled before Council and approved. This document also showed the re-distribution of Producer votes following Venezuela's accession. Council took note of this re-distribution.

{Item 6: Admission of Observers}

11. Council considered the applications for admission by the countries and organizations recorded in Document ITTC(XVI)/Info.3/Amend. 1 and decided to admit all as observers to the Session.

{Item 7: Appointment of the Credentials Committee}

12. Council approved the appointment of the following delegations to the Credentials Committee: Canada, Gabon, Germany, Ghana, Japan, Panama, and the Philippines.

{Item 8 - Statement of Executive Director}

13. The Executive Director, Dr. B.C.Y Freezailah, spoke of the rich forestry history of Colombia, once extolled as El Dorado, the treasure within New Granada, and of Colombia's membership of the ITTO. Colombia's invitation to Council was evidence of its determination to restore land use to encompass full forest values, and had earned her universal praise.

Dr. Freezailah recorded his appreciation of Mr. Suzuki's presence in the Council Chair, despite pressing official commitments. He welcomed the two new Members, Myanmar and Venezuela, who brought their forest resources and experience to the ITTO at a mature period of its growth. Finally, tribute was due to H.E. Mr. Wisber Loeis of Indonesia, who chaired the recently concluded negotiation of the ITTA, 1994, and to UNCTAD for its support. Dr. Freezailah thanked the Vice-Presidents of the Conference, the other office-holders, and the spokespersons for the Producers Mr. Amha Buang, (Malaysia) and Mr. Milton Drucker (U.S.A.). As Mr. Drucker was leaving his country's ITTO delegation for a posting in the Dominican Republic, he wished him well for the future.

The Executive Director noted that, although the ITTA, 1994 had not yet come into force, he had circulated the final text to all Member countries, as had UNCTAD to all its Members. He praised Indonesia for having been the first to formally accede to the new Agreement, and urged delegations returning from the present session to encourage their Governments to do likewise. In this way the legal instrument for the enhanced mandate of the Organization would soon be in place.

Dr. Freezailah reminded delegates that the international forestry agenda was a high priority of UNCED in its Agenda 21. The inaugural session of the U.N. Commission on Sustainable Development (CSD) had established five cross-sectoral issues in its perennial thematic programme of work. Several were of interest to ITTO, including "lands, forests and biodiversity", and the 1995 review of progress in implementation of UNCED's Agenda 21 would culminate in 1997 when the U.N. General Assembly would itself review the same issue in a Special Session.

The ITTO Secretariat was following the work of the CSD with keen interest, and ITTO, along with several U.N. agencies, the World Bank, and major NGOs such as IUCN, was part of the FAO Ad Hoc Inter-Agency Working Group on the forestry portion of the UNCED programme.

The Executive Director mentioned several other initiatives which were gathering momentum as the 1995 CSD review approached:

- i) ITTO-sponsored delegates from producing countries had profited from the CSCE Seminar of Experts on Sustainable Development of Boreal and Temperate Forests which took place in Montreal in 1993. Tropical countries thus gained an insight into addressing the gaps in an array of forest information databases utilised in the management of forests with a sustainability goal.
- ii) The Malaysia-Canada Inter-Governmental Working Group on Forests was also designed to facilitate inter-governmental cooperation on the UNCED process, and the first meeting in April 1994 was attended by 15 governments, 4 NGOs, FAO, ITTO, and the CSD Secretariat.
- iii) A workshop to which 45 countries would be invited was scheduled to take place in July 1994 under the auspices of India and the U.K. with assistance from FAO. Its objectives would be to help develop the CSD formats for reporting on forestry, guidelines and criteria for assessing implementation of the Forest Principles, and means of overcoming constraints on their implementation. A later Ministerial meeting to endorse the recommendations was under consideration.
- iv) The Helsinki process (Ministerial Conference on the Protection of the Forests in Europe) was being pursued, too, through a meeting in Geneva in June of technical experts. The sponsors

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were Finland and Portugal in association with Austria and Poland. Again, the identification of measurable criteria and indicators for progress in the principles of sustainable forest management and the conservation of biodiversity in Europe was the main theme.

- v) A second meeting of the Inter-Governmental Working Group on Global Forests (IGWGFF) would take place in Ottawa in October, with a possible Ministerial meeting to follow.
- vi) FAO's Committee on Forests (COFO) would meet in Rome in March 1995 to contribute to the CSD a report on coordination of international agencies.

Dr. Freezailah cited these examples as evidence of progress towards the holistic approach required by UNCED, and promised that ITTO would strongly participate in all initiatives, serving the global interests of its constituents and earning its right to a niche in the area of sustainable forest development. Nevertheless, he would continue to observe financial prudence, and ensure Secretariat participation was performed in the most cost-effective manner.

The Executive Director expressed his gratitude for donor support of the ITTO Organization by Japan and other countries, and recorded his especial appreciation of gifts from the private and informal sectors, citizen's organizations such as the Pilot Club of Yokohama, and a group of schoolchildren who had contributed proceeds from a recycling effort over several years. Recently a generous donation had been received from the estate of the late Mr. Kisei Sakamoto, who had long served the Japan Forestry Agency and the Japan Federation of Wood Industries. His widow, Mrs. Taeko Sakamoto, had decided to commemorate his devotion to the cause of sustainable forest management through a donation to ITTO.

Dr. Freezailah urged Members to address the vexed issue of inadequate financial resources, and referred to the innovative creation of the Bali Partnership Fund in the new ITTA, 1994. This Fund, the result of intensive negotiations, was designed to respond to the different obligations of members, but also to lend reality to the **means** of achieving the supreme purpose of ITTO - the promotion of sustainable forest management. The Executive Director would be actively seeking allies to help in mobilising greater financial resources for the Organization. He was concerned that, without positive action, the world recession and competing sources might completely drain the Organization's resources.

Turning to the administration of the Organization, Dr. Freezailah was pleased to report that important vacancies had been filled, giving effective direction to all divisions. He paid tribute to the public service spirit of his staff and thanked members of Council and the Permanent Committees for giving his staff their trust and support. In particular the Expert Panel for the Technical Appraisal of Project and Pre-Project Proposals had proven its worth. It was increasingly an instrument to encourage members to bring ITTO Guidelines and policies into their projects. The Panel's work was, in some ways, an invidious assignment because they were required to make a critical independent judgement on behalf of the Organization whose result could be unpopular with interested Governments. At its last session, the Panel had assigned small working groups the task of closely analysing proposals to assist submitting members to improve the quality and show alternative courses of action to intended outputs.

In the Executive Director's view, it was now time for Council to refine the technical criteria for selection to and tenure in the Panel including possible re-election instead of the current rather rapid mandatory turn-over. Continuity of membership should build a competent institutional memory. Sound expertise would be cultivated and retained. However, an equally positive and constructive approach was required of the Permanent Committees to ensure a completely fair consultative process.

Dr. Freezailah noted the success of the seminars and field tours which, thanks to the host Government, had been organized before or after the Council Sessions in Japan. He saw no reason why other donors should not take advantage of overseas sessions for the same purpose. Satellite

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activities or week-end seminars could adopt any one of numerous themes which concerned the ITTO.

Under the new ITTA, 1994, the Executive Director noted, certain actions, formerly implicit, were now explicit. These were consultation, cooperation, policy development, information sharing, and analyses of comparative experiences. The Organization's reputation in international fora was increasing because of its normative work in respect of the Year 2000 Objective, the annual Market Discussions, and the several guidelines on sustainable management and conservation of biodiversity in tropical forests. In the last-named case, criteria developed by ITTO had received acclaim as exemplars for comparable formulations for temperate and boreal forests.

On this optimistic note, Dr. Freezailah concluded by portraying a collective vision of ITTO's future in which, year by year, the Organization progressively achieved its earlier ambitions and set its sights on yet higher aspirations.

{Item 9: Projects: a) Reports of Fourteenth Sessions of the Permanent Committees}

14. The reports of the three Permanent Committees were delivered by the two Chairmen of the Permanent Committees on Economic Information and Market Intelligence and Reforestation and Forest Management, respectively Mr. Enrique Toledo (Peru), Dato' Awang Ismail (Malaysia), and the Vice-Chairman of the Permanent Committee on Forest Industry, Mr. Jean Williams Sollo (Cameroon). These reports are compiled in the present volume under Annex V.

{Item 9: Projects: b) Consideration of Project and Pre-Project Proposals}

15. 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(XVI) in Annex IV of this volume.

{Item 10: Sustainable Management of Tropical Forests: Reports of Members on Progress towards the Year 2000 Objective - Decision 3(X)}

16. The Representative of Canada, Mr. David Drake, introduced a document entitled "Sustainable Forests: A Canadian Commitment" which detailed progress towards sustainable forest management under the National Forestry Strategy. A firm timetable of commitment leading up to 2000 was enshrined in the Strategy. Canada's Annual Report on the state of her forests would be tabled before Parliament in the next few weeks and would be available for the next ITTC. In addition to the usual statistics, this year's report included a special chapter on the relations between trade and the environment in the context of sustainable forestry.

Canada's commitment to the Year 2000 Objective was **both real and substantial**. **Real**, because the provinces, which had the ultimate jurisdiction over the forests, were also committed with the full support of non-governmental groups; **substantial**, because Canada was steward to 10% of the world's forests, and her trade comprised 15% of the world market in forest products. Moreover, Canada had recently initiated an extensive process of defining criteria for sustainable forest management, part of the Montreal process. She shared with others satisfaction over the conclusion of the negotiations of the ITTA, 1994, which was a positive basis for global consensus.

17. The Representative of Australia, Mr. Peter Hancock, noted that his country's report on progress to the Year 2000 Objective also included the country market statement. Over the last twelve months Australia had made significant progress towards implementing its national forest policy. All state Governments were just as committed as the Commonwealth government to the Year 2000 Objective.

Mr. Hancock said that implementation in several priority areas was already underway. These areas included the national plantations strategy, the establishment of a forest and wood products

research and development corporation, the establishment of an ecotourism programme, a labour productivity improvement programme, and the removal of export controls on wood of plantation origin together with clarification of taxation provisions relating to private forests.

Furthermore, collective progress had been made on developing broad criteria on which to base forest reserve systems and to develop consistent nationwide baseline environmental standards to be met through codes of practice. The Commonwealth government was also seeking to work with states and territories on consistent nationwide regional assessments of forests.

Mr. Hancock reported that, in the international arena, Australia would continue to promote the development of sustainable forest management consistent with its international trade policy. She strongly supported information-sharing by countries on progress towards Objective 2000 and was consulting with State governments on accession to the ITTA, 1994.

Apart from ITTO, Australia provided funding for environment-related activities under the auspices of AIDAB. Forest management and conservation project were prominent in this programme, at an average value of around A\$11 mill. per annum. AIDAB also supported, in developing countries, strengthening of forestry institutions, reforestation, forest education, and data collection and assessment.

Under the responsibility of the Australian Centre for International Agricultural Research (ACIAR) lay work on the domestication and management of Australian trees and shrubs suited to specific developing country situations. ACIAR had played a leading role in the establishment of CIFOR in Indonesia in March 1993, and along with Sweden, Switzerland, and the U.S.A., Australia contributed to its operating budget.

Mr. Hancock concluded by noting that copies of Australia's full report had been made available to delegates.

18. The Representative of the European Union, Mr. Enzo Barattini, informed the Council that the European Parliament's financial vote of 50 million ECUs for assistance to tropical forests had been confirmed. This budgetary line allowed numerous initiatives to take place in both the bilateral and multilateral contexts. Forestry was also a key element in many national aid programmes of E.U. countries.

Mr. Barattini referred to the different enterprises underway which were preparing the path for a global convention on forests. Member countries would be submitting their national reports to the CSD in 1995. The Helsinki Ministerial Conference had engaged a higher political commitment, and Mr. Barattini introduced his colleague, the Representative of Portugal, who had been co-Chairman of the Working Group following up the Helsinki Conference.

19. The Representative of Portugal, Mr. Carlos Morais, informed the Council that at the Helsinki Ministerial Conference, organized by Finland and Portugal, with the collaboration of Austria and Poland, the European Union had agreed to general principles on sustainable management and conservation of biological diversity adapted to European forest conditions. The Principles followed those agreed at Rio, and they were the result of a cooperative effort to develop national plans to maintain European forests in a sustainable manner.

Mr. Morais observed that this pan-European collaboration was reinforced by the formulation of criteria and indicators of sustainability based on pertinent scientific and financial reasons. By this means a reference point was sought with which to evaluate forest policies and to improve public information on these policies. He said that the technical meeting in Geneva next month would have the opportunity to analyse the draft criteria and indicators in relation to ecological and socio-economic aspects of sustainable forestry. ITTO was cordially invited to take part in this meeting. The European Union desired to maintain an open and permanent dialogue on all key global forestry questions.

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20. The Representative of the Philippines, Mr. Ricardo Umali, informed the Council that his country's report was divided into five sections, covering the resource, sustainable forest management, status and progress, policies and the forestry code, and sustainability gaps and future directions towards the Year 2000 Objective.

The actions being taken by the Philippines were firstly to protect and conserve the remaining forest, secondly to rehabilitate degraded forest, and lastly to sustainably manage remaining production areas. The goal was to bring the *Dipterocarp* resource into an environmentally sound, but economically beneficial condition. It was essential to continue conserving the permanent forest estate, and to enhance forest productivity for social equity and increase employment. Last but not least cultural communities in the forest needed protection.

Mr. Umali reminded delegates that the Philippines was probably the first tropical nation to institute a log export ban for all virgin forests. Second growth forests were now the major source of timber production and restricted to areas below 1,000 m.a.s.l. and of <50% slope. Water catchment areas were part of the protected areas system. Production forest would be under the wide spectrum of control, with a mix of forest managers from the private sector, local communities, from indigenous cultural groups, and government units. ITTO Guidelines were in full use for these purposes.

The Philippines had evolved her own Agenda 21 which had been incorporated into the medium-term plan, now the 1989 Philippine Strategy for Sustainable Development (PSSD) which had produced the Philippine Master Plan for Forestry Development (1990-2015). For example, the establishment of 942,000 ha. of plantation was required to ease pressure on the remaining 3.23 mill.ha. of residual natural forest. Annually 1.6 mill.m³ of sawn timber and 3.1 mill. m³ of plywood would be required for self-sufficiency in forest products by the year 2000. Sixty more protected areas were needed.

These objectives could not be achieved without the necessary resources and the Philippines' report enumerated the types of finance requested of donors. The Philippines' Constitution itself provided a mandate for active work to halt and reverse environmental degradation, with an emphasis on community participation, including the ancestral rights on cultural groups. The latter involved a greater need for extension and stronger NGOs to help organize communities.

Mr. Umali said that the budget for the twenty-five year programme was about \$7.1 billion, with Government financing expected to cover only about 22.5% of the total, 32.5% from the private sector, and the remaining 45% through foreign aid. The conservation of the Permanent Forest Estate with buffer zones was part of the programme.

21. The Representative of Papua New Guinea, Ms. Jean Kekedo, commenced her presentation by reiterating her country's commitment to the ITTO Year 2000 Objective, and indeed this statement could be found in the National Forest Guidelines of September 1993. There would be clear provisions covering the allocation of rights over forest land. The main objectives of the Guidelines are the management of the forest resource as a renewable national asset, secondly to utilise the resources to achieve economic growth, employment creation, greater Papua New Guinea participation in the industry, and more viable on-shore processing.

Ms. Kekedo said that at least 55% of the forestry budget of Papua New Guinea would be devoted to forest management; silvicultural techniques needed refinement to increase the standing value of the forest to the owners. A new Government regulation would require all forest enterprises to present their plans for down-stream processing by 1 July this year. Failure to comply with this deadline would result in the rescinding of log export permits. This was a radical step for the country, because the export revenue from the forest industry was ranked second. But the forest was not just an economic entity; it was also essential to the lifestyle of the Papua New Guinea people. On this note, Ms. Kekedo concluded by tabling the Papua New Guinea report.

22. The Delegate of Indonesia, Mr. Benni Sormin, acknowledged on behalf of his Government the tributes paid by speakers at the Council Session to H.E. Mr. Wisber Loeis and spoke on developments in his country since Indonesia had reported at the last Council Session.

Mr. Sormin described the Forestry Basic Law No.5 of 1967 and the Sixth Five Year National Development Plan (1994-1999) as the legal basis of forestry operations in Indonesia. Policy on forest management emphasized five aspects, namely permanency of the forest cover, continuity of production, the importance of nature conservation, promotion of forestry's role in the economy, and the need for institutional strengthening.

In the last six months, a great deal of effort had been expended on the last-mentioned item, in particular on the creation of the 195 district forest service offices to undertake tasks previously undertaken centrally, with the expected result of an intensified field level of management, and increased community participation. The task is not easy, requiring another 6,000 personnel, and additional infrastructure.

Mr. Sormin reiterated Indonesia's commitment to the Year 2000 target and also the need for application of certification to **all** types of timber, in accordance with the UNCED definitions. Indonesia had introduced the ITTO criteria at an early stage (April 1993) and a Timber Certification team was now concentrating on refinement of the checklist of criteria required to assess sustainable management. Indonesia had also just completed a study on chain-of-custody in consultation with SGS Silviconsult of the U.K. and the European Union. The study has focussed on the practicability of some tagging methods, such as bar-coding, touch-memory and affixed radio transmitter, and its report was available as a video, as well as in hardcopy.

23. The Representative of Zaïre, Mr. Benoît Kena Mwauke, expressed his sense of honour in addressing the session, and reminded delegates that sustainable management of natural tropical forests had a particular national aspect. Zaïre, with 125 million hectares of such forest, representing 47% of all African dense forest, and being the second largest land resource of oxygen production after the Amazon, was deeply concerned with this issue.

Mr. Kena Mwauke said it was hardly necessary to recall the complexity of tropical forests. The 'sixties marked a geopolitical and ecological turning point in history, because several African nations achieved independence. But this decade also brought the environmental crisis to the fore, and many scientific colloquia were devoted to the attempt to find a solution to this problem.

Conscious of her ecological weight at the continental and the planetary level, Zaïre had not been complacent:

In 1972, Zaïre participated in the U.N. Conference in Stockholm which gave rise to the U.N. Environmental Programme (UNEP). Again, always at the world level, it was Zaïre who instigated, through IUCN in 1975, the process which led to the World Charter on Nature in 1982, a document which set the ground rules for the protection and sustainable management of natural ecosystems. Then, as everyone was aware, the necessity of integrating these concerns led through the Brundtland Report to the UNCED at Rio de Janeiro in 1992. Despite the economic and political crisis she faced, Zaïre had actively participated in UNCED, and had striven to implement its decisions at the national level.

Mr. Kena Mwauke elaborated three points which he said had arisen from this history. Firstly, the sovereign right of each nation to dispose of its forests for the benefit of their people; secondly the urgent necessity of putting sustainable management practice into place; and thirdly the necessity of avoiding trade practices which discriminated against forest products. ITTO and ATO had special roles to play in harmonising options for the last-named objective.

Indeed, Zaïre had been active in the field of sustainable management of forests for nearly half a century. In 1949 a protective decree for forests had been promulgated. In 1984 a seminar had

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been organized under the title of "The Forest, National Wealth for Preservation" with the purpose of examining the poor contribution of forestry to the national economy, the small harvest of 500,000 m³ per annum, which bore no relation to the maximum sustainable level, and the urgent necessity for building up a national forestry capital fund. In 1987, a World Bank study of the constraints on forestry development led to a TFAP Round Table of potential donors in 1990.

Apart from these initiatives in planning and management, a programme of protected areas was begun in 1925, and now, of Zaïre's nine national parks, four were listed by UNESCO as World Heritage Areas, and it was worth noting that Zaïre had the largest integral tropical forest ecosystem reserve. For example, the Salonga National Park had an area of 3.6 mill.ha. Moreover, Zaïre's report demonstrated that she was following the ITTO Guidelines on Sustainable Management.

Mr. Kena Mwauke was convinced that other tropical countries had also followed as long a course as that of Zaïre. The question was, did the process guarantee the perennial existence of the resource? Certainly, each country had its own set of circumstances. Sustainable management logically included rational exploitation and there was no *prima facie* case for excluding primary forest as a source of utilisable wood. Forests were menaced by other forms of stress, and risked becoming unable to fulfil their ecological functions, particularly as carbon dioxide sinks.

A country like Zaïre, which had maintained an 80% forest cover, should not find herself disadvantaged in comparison with countries where the forest was degraded. The support of the international community was necessary, and for this reason tropical countries subscribed to international organizations. One had to ask why many Forest Management Plans of tropical countries, including Zaïre, had not benefitted from donor assistance, especially after the confirmation of Agenda 21 at Rio de Janeiro. Equally, the strengthening of institutions and technology transfer were essential for rational management.

In all cases, the necessary dialogue for the better integration of the forestry sector into complex development issues required recognition of the legitimacy of earning income from the forest as well as protecting the environment. In this context, Zaïre commended ITTO's Guidelines and also the value-added forest products programme of the ATO. Zaïre was committed to an even better pursuit of her obligations to the Organization, and regarded the ITTA, 1994, as a rich vehicle for further cooperation between producers and consumers.

Mr. Kena Mwauke stated Zaïre's position on CITES listing of certain species as requiring consultation with range countries and needing the CITES Secretariat to arrange studies of these opportunities for listing. He concluded by thanking the Colombian authorities and the Executive Director for the reception his delegation had received at the Session.

{Item 11: Report of the Working Party on the Certification of All Timber and Timber Products}

23. The Chairman of the Working Party, Mr. Enrique Toledo (Peru), delivered a report on its results, tabled as Document PCM/PCF/PCI(XIV)/3 Rev.1. The format of the report reflected a balance of the differing points of view. Council's wisdom was sought to achieve the maximum convergence.

Mr. Toledo thanked the consultants, Dato' Dr. Baharuddin Hj. al Ghazali (Malaysia) and Dr. Markku Simula (Finland) for their excellent report, the donors for the Working Party, the Government of Colombia, and the delegates who participated.

24. The Chairman thanked Mr. Toledo for his report and called on the Spokespersons of the two groups to inform Council on progress with the results of the Working Party.

25. The Spokesperson for the Consumers, Mr. Ian Symons, stated that although the final debate on key issues was felt by some delegations to have been unduly politicized, nevertheless its intensity did serve to demonstrate how important the matter was in the opinion of many governments.

The Consumer group was keen to be kept informed of developments in the field through ITTO activities. Three areas of interest were recommended for ITTO: firstly the knowledge of various schemes devised for global application and the nature of their operation; secondly the specific financial costs of these schemes; thirdly their broader economic and environmental impact.

On the first issue, consumers had noted the wide variety of schemes and indeed the diversity of designers, ranging from NGOs through companies to governments and possibly even international organizations. Secondly, the consumers wished to see further study on costs and benefits, with clear separation of fixed and variable costs, and indications of the likely behavioural changes induced in economic agents of different scale in the trade as a result of these costs and benefits. Finally, a study was needed to determine how certification might assist in the internalization of environmental externalities, and the effect of this on the trade.

Mr. Symons said that consumers recognized the need for finance to undertake these studies. Draft decisions were available for discussion with producer colleagues.

26. The Spokesperson for the Producers, Mr. Amha Buang, commenced by expressing the Producers' appreciation for the good work done by the Consultants and also for the handling skills of the Working Party chairman. Producers had found the Working Party helpful as a means of widening and deepening knowledge of the subject. Nevertheless the group still believed there were major gaps which should be filled as a matter of principle:

Firstly certification should cover all types of wood products and all types of forests, and comparable arrangements should be considered for timber substitutes. Secondly, certification must be based on scientific and internationally agreed criteria. Finally, the time frame for the introduction of certification should be realistic and not shorter than the timeframe for the introduction of full sustainable management for all sources of internationally traded tropical timber i.e. 2000.

Mr. Amha stated that, in view of these gaps, producers desired a major information-sharing exercise, and considered that the Executive Director and the Secretariat should continue assembling and analysing data on certification schemes and their application all over the world to enable producers to be kept fully informed. The producers had identified another useful area of investigation; this was the market dynamics of certified timber, or, put more simply, an understanding of whether the "green premium" for certified timber really existed. It was hoped to examine the results of such a study at the next Council Session. A draft decision would be placed before consumers on this matter.

27. The Chairman requested that the two groups harmonize their separate proposals into a consolidated draft (later approved by Council as Decision 2(XVI) - Annex IV).

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

28. The Chairman of the Finance Committee, Mr. Rueben Guevarra Moncada (Honduras), reported that the Committee had considered the information presented in Document ITTC(XVI)/CRP/2, prepared by the Secretariat. He recorded the respective sums contributed so far this year by consumers and producers to the Administrative Account, and that the Committee, having considered likely levels of receipts for the remainder of the year, had recommended that the Executive Director be permitted to utilise up to \$400,000 from the Working Capital, in order to meet any shortfall which seemed likely to arise in receipts between this session and the Seventeenth. It was important for

Council to be aware that the Executive Director expected to be able to save \$180,000 from certain cost-cutting measures, dependent on the yen /US\$ exchange rate, during the same period.

29. The Council took note of the Finance Committee's report and later adopted a draft decision in accordance with the Committee's recommendation.

{Item 13: a) Review of Pre-Project Sub-Account &
b) Review of Project Account}

30. The Finance Committee Chairman, Mr. Rueben Guevarra M. reported that the Committee had examined Document ITTC(XVI)/CRP/1, prepared by the Secretariat, which covered both the agenda sub-items. The Committee recommended that Council receive this documents and express satisfaction with their contents. Council adopted the Finance Committee's recommendation.

{Item 13: c) New Contributions to the Special Account}

31. The Representative of Switzerland, Ms. Laurence Wiedmer, informed the Council that in view of the importance that Switzerland attached to the work of the ITTO, and in order to maintain the continuity of this commitment, her Government would pledge US\$4 million to the ITTO Special Account. The new voluntary contribution, in line with Switzerland's position as the second major donor to ITTO, was to be used for project work in the promotion of sustainable management of tropical forests as and when authorized by the Swiss Government according to its priorities and in relation to other voluntary contributions.

Switzerland had set much store since the inception of the Organization on cooperation between producers and consumers for the sustainable management of the former's resource. Her voluntary contribution was to be strictly directed to projects and pre-projects which had a clear, definite contribution to make towards the Year 2000 Objective. Only Members who were fully financial in respect of their contributions to the Administrative Budget would benefit from Swiss voluntary contributions.

Ms. Wiedmer then made a clarification concerning the Swiss voluntary contribution. She said that pledges made by the Swiss delegation during the course of a Council Session were subject to full approval procedures by her Government and these might take another 2 to 3 months to execute. The Swiss Government's **written** confirmation was therefore the substantive pledge.

32. The Chairman noted that he had been informed by other donors that the Swiss procedure was the preferred approach of their Governments as well. He requested that the Secretariat and members who would receive ITTO funds for their approved projects should recognize this constraint.

33. The Delegate of Japan, Mr. Hidehiro Hosaka, announced on behalf of his Government that, pending approval by the Diet, and depending to some degree on the US\$/yen exchange rate, Japan would pledge for this fiscal year a sum of US\$13.086 million to the ITTO Special Account. Furthermore, should the ITTA, 1994 come into force during the current fiscal year, Japan would contribute US\$2.5 million to the Bali Partnership Fund, and the Organization was requested to hold this voluntary contribution in a suspense line in the Special Account until this should eventuate.

Mr. Hosaka stated that in order to fulfil the objectives of the ITTO, it was necessary to increase efforts and Japan wished to be joined by other donors in bringing about this extra effort.

34. The Representative of the U.S.A., Mr. Milton Drucker, recalled his earlier remarks to the effect that continued U.S. contributions were dependent on ITTO's performance in the field of projects, and he was therefore pleased to announce a pledge of \$1 million to ITTO's Special Account.

35. The Representative of Denmark, Mr. Hans Schou, affirmed his country's intention to continue her support for ITTO, and further allotments to particular projects would be made at the present session, subject to final approval by the Danish financial authorities.

36. The Representative of Norway, Mr. Eric Bjørnbye, stated his Government's intention to continue pledging to particular projects at this session.

37. The Representative of Australia, Mr. Peter Hancock, stated his Government's intention to continue pledging to particular projects at this session, subject to final approval by the relevant authorities.

{Item 14: Report of the Auditor for 1993}

38. The Finance Committee Chairman, Mr. Rubén Guevara Moncada, reported that the Committee had received a Secretariat explanation of the structure and content of the report by the Auditor's Arthur Anderson & Co. on the Organization's 1993 accounts, presented in document ITTC(XVI)/3, and recommended that Council receive and adopt this report.

39. The Council then adopted the Auditor's Report on the 1993 Accounts, and the Chairman thanked the Chairman of the Finance Committee at the successful completion of his task.

{Item 15: Annual Report for 1993}

40. The Executive Director tabled the Annual Report for 1993 [Document ITTC(XVI)/2]. The report furnished information on the major activities of the Council, the Permanent Committees, Secretariat, Project and non-Project activities. Dr. Freezailah described the layout of the document for the benefit of delegates, and noted highlights of the year, in particular the table summarising quantitative facts on the project programme, and the sections covering the negotiations of the ITTA, 1994. On a personal note, he referred to the sudden passing of Mr. Arthur Morrell, Chairman of the Permanent Committee of Economic Information on Economic Information and Market Intelligence, during the Fifteenth Session, and informed Council that he had visited Mrs. Cathy Morrell in the United Kingdom in January in order to personally convey the sorrow felt by Member delegations, and to present her with the Book of Condolences and the album which had been prepared to commemorate her late husband's long and dedicated association with the ITTO. Mrs. Morrell wished her thanks to be conveyed to Council.

{Item 16: Report of the Credentials Committee}

41. The Report of the Credentials Committee was presented by the Chairperson, Ms. Stephanie Caswell (U.S.A.).

The Committee, consisting of Canada, Gabon, Germany, Ghana, Japan, Panama, and the Philippines, had met to consider the credentials and attendance of 41 countries and the European Union and recommended to Council that the credentials be approved.

The Committee, whose full report was tabled as Document ITTC(XVI)/7, requested the Government of Honduras to submit the credentials of their representative to the Secretariat at the earliest possible opportunity. It also requested all credentials to be submitted in one of the three working languages of the Organization.

{Item 17: Dates and Venues for the Eighteenth Session of the Council and the Sixteenth Sessions of the Permanent Committees}

42. The Representative of Ghana, Mr. Edward Nsenkyire, conveyed to Council his Government's invitation to hold the Eighteenth Session of the Council and the Sixteenth Sessions of the Permanent

Committees in Accra. The Government of Ghana intended to organize adequate facilities for the successful implementation of the sessions and any other associated meetings or consultations.

Mr. Nsenkyire said that his Government, in extending this invitation, was acting in consonance with its belief in the organization and in the spirit of the traditional canons of hospitality invoked in every home in Ghana. In Ghana it was traditionally believed that the successful survival of any home, group, club, or organization depended vitally on the contribution made by each individual to the whole unit.

Ghana was convinced of the sincerity of all previous countries which had hosted Council Sessions. Invaluable benefits accrued to Ghana from her membership of the ITTO; it was a potent instrument for securing international support for her tireless efforts in the forestry sector. In Accra all delegates would be able to observe a wide range of development issues, not merely those relating to forestry. It was historically significant that the invitation could be extended from Cartagena, where a sizeable segment of the population had West African roots.

Mr. Nsenkyire concluded by welcoming all delegates to enjoy the warm climate, the good cheer, and the best hospitality his country would offer on their behalf.

43. The Chairman accepted the accolade as an expression of the Council's acceptance of the offer of the Government of Ghana and it was agreed that the Eighteenth Session and by custom the Sixteenth Sessions of the Permanent Committees would be held in Accra, Ghana, from 10 to 18 May 1995.

The Chairman then reported the difficulties experienced by the Secretariat in planning Sessions ahead with only one year's lead time. Because of increased international competition for conference venues, Council was requested to decide on a venue and associated dates at least eighteen months in advance.

44. The Secretariat reported on proposed dates for the Nineteenth Session in Yokohama, Japan, recommended after consultations with City of Yokohama officials. Furthermore, in view of the postponement of the Market Discussions to the November Session this year, an amendment of one extra day was proposed for the Seventeenth Session. In 1995, it was understood that Delegate's preference was for the Market Discussions to return to the May Session.

45. Council then approved the dates and venue of its Seventeenth Session and the Fifteenth Sessions of the Permanent Committees as 8-16 November, 1994, in Yokohama, Japan. The Chairman requested Members to consider the possibility of inviting Council to their countries for the Twentieth Session, scheduled for about May 1996, and noted that the appeal was open to Consumer Members as well. He reminded delegates that, to give eighteen months' advance notice, the invitation would be needed by Council during the forthcoming Seventeenth Session in November 1994.

Council approved the dates and venue of its Nineteenth Session and the Seventeenth Sessions of the Permanent Committees as 8-16 November, 1995, in Yokohama, Japan.

{Item 18: Other Business}

Chairman's Response to Bolivia:

46. Speaking from the Chair on behalf of the Council, the Chairman welcomed the statement made by the Minister of Sustainable Development and the Environment for Bolivia, Lic. J. Guillermo Justiniano, inviting ITTO to form a mission along the lines of the earlier Sarawak mission to visit his country. In this capacity, the Chairman requested the Executive Director to consult with the Bolivian

Government on its Minister's invitation and to report to the Council at its Seventeenth Session in order for the Council to take any decision it might deem appropriate.

Listing of Tropical Timber Species in the Appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES):

47. The Representative of the Tropical Forest Foundation (TFF), Mr. Keister Evans, reported that he had just attended the Fifth Plants Committee Meeting of CITES, currently underway in San Miguel de Allende, Guanajuato, Mexico. The Chairman of the latter meeting had indeed moved the discussion on tropical timbers up the agenda to permit Mr. Evans to report to the ITTC.

Mr. Evans said that three main species had been on the agenda:

- i) Ramin (Gonystylus bancanus), recommended for listing in Appendix II ("Species whose survival is not yet threatened but may become so. Trade allowed subject to licensing") by The Netherlands, supported by the Philippines, opposed by Malaysia.
- ii) Khaya spp. & Entandophragma spp. proposed by Germany, possibly with the U.S.A.
- iii) Swietenia macrophylla proposed by the U.S.A., with El Salvador a co-proponent, and possibly The Netherlands, opposed by Mexico, the only range state present. Another range state, Colombia, had expressed support.
- iv) Ebony (Dalbergia melanoxylon), proposed by Kenya. Trade is small, mainly carvings and artifacts.

Mr. Evans conveyed the requests of the CITES Plants Committee meeting Chairman for scientific information on these species by 10 June in time for the Ninth Meeting of the CITES Parties which would take place in Fort Lauderdale, Florida, U.S.A., in November 1994.

48. The Spokesperson for the Producers, Mr. Amha Buang, described the proposals for listing of tropical timber species on the CITES' Appendices as a matter of grave concern to producers. He wished to remind the Council and consumer Members in particular that Decision 6(XII) had been framed to improve cooperation between ITTO and CITES. Although it called for Members to inform the ITTO Secretariat at an early stage of any proposals for listing, it appeared from Council document ITTC(XVI)/6 that only The Netherlands had done so. Mr. Amha called on contracting parties to CITES who were also Members of ITTO to respect the provisions of Decision 6(XII).

CITES was a legally binding convention. Listing involved monitoring of commercial transactions and control through elaborate measures including direct prohibition on trade. Effects were therefore far-reaching. In the past, active proposals for listing had come largely from range states, a condition of merit, since these states acted voluntarily out of a genuine interest in the protection of these species within their frontiers. However, the recent trend to proposals originating from non-range states was unhealthy, since range states felt pressurised, and suspicious that the proponents had ulterior motives unconnected with any concern for protection of the species whose listing was proposed.

Mr. Amha said that the situation had been tolerable when the activities of CITES were largely focussed on endangered species of wild fauna. However, the simplistic approach had not worked particularly well during the twenty years of CITES' existence. With the possible exception of the Nile crocodile (Crocodylus nilorjeus) there had been no improvement in the conservation status (as measured by de-listing or down-listing).

An approach unsuccessful for endangered wild fauna species could not be expected to work for traded tropical timber species. A different approach to conservation was required, one couched within the framework of sustainable forest management agreed at the UNCED. Some consumer

proponents had been over-zealous, and created confusion by adducing a lack of commercial availability as evidence of impending extinction. In fact the former condition could be the results of several possible causes, of which over-cutting might be just one. Moreover, even over-cutting would have no effect if succeeded by adequate measures to protect the genetic base.

Listing, Mr. Amha argued, did not greatly affect the interests of non-range states, but could damage the economies of range states through its impact on foreign exchange earnings and employment. In the view of many producers, certain proponents were "playing to the gallery" on green issues. But a rash listing could lead to a stigma on the species in question. Producers doubted the sincerity of such proposals and the ramin (*Gonystylus bancanus*) was a good case in point:

The Netherlands and Denmark proposed this species for listing but representations by Malaysia and other range states at the May 1992 CITES meeting had persuaded these proponent to withdraw their proposal. It was therefore disappointing to learn that The Netherlands was again proposing that the species be listed. Mistrust was inevitable, especially as since 1992 Malaysia had further strengthened sustainable management of her forests, including expansion of the Permanent Forest Estate, up-dating of the National Forest Policy, amendment of the National Forestry Act, and implementation in Sarawak of the ITTO Mission's recommendations. Not only the conservation status of ramin, but that of the whole Malaysian natural tropical forest, had been markedly improved.

Mr. Amha called upon The Netherlands to inform the Council of the basis for its renewed initiative, which was based on notions contrary to evidence collected at the primary source, and could be viewed as an attempt to harass range states.

CITES, Mr. Amha concluded, had not been effective, except in raising awareness of the predicament of currently endangered species. CITES should be judged, not by the length of the list of species in the Appendices, but by improvements in conservation status of listed species. The Articles of CITES were rigid, subjective, and out-dated. Major reforms were necessary to bring them into line with the principles of sustainable use enunciated at UNCED. A particularly serious flaw was the tendency for species to be proposed for listing on the basis of their rarity in single range states when regionally and globally they conservation status might be secure. Consequential restrictive legislation by importing countries further undermined the credibility of the Convention.

Mr. Amha pleaded with Members not to allow tropical timber to be trapped in a flawed treaty and thereby hinder the efforts of producing members seeking sustainable management of their forest resources.

49. The Representative of Cameroon, Mr. Jean Williams Sollo, speaking on behalf of ITTO's African Members, drew Delegates' attention to the item in Mr. Evans' report (ibid.) on proposals for listing by consumer countries driven by pressure groups, of species of the *Khaya* and *Entandophragma* genera in Appendix II of CITES. In addition, a list of redwood species including Iroko (*Chlorophora excelsa*) had circulated in central African countries and in the headquarters of certain NGOs with the aim of using CITES to foster a boycott campaign against African tropical timbers on the spurious pretext of extinction risk or biodiversity loss.

Mr. Sollo stated that African members vehemently opposed methods of this kind which lacked any scientific basis. Fluctuations of wood volumes on the international market could just as easily be due to a switch to other species as to increasing scarcity, or, indeed, to the deterioration of public statistical services recently afflicting many African countries.

In order to confirm any perceived risk of extinction of a species it was necessary to possess inventory results showing low frequency of abundance in both upper and lower canopy layers within the distribution area. Mr. Sollo doubted whether the listing proponents held such information, and indeed, as far as his own country, Cameroon, was concerned, inventories conducted in 3/4 of the

productive forest had demonstrated that Khaya spp. and in fact the Meliaceae genus were regularly and abundantly represented in all strata. Moreover, the distribution pattern conformed to the floristic diversity commonly found in this type of forest.

Mr. Sollo maintained that placing these species on the CITES' appendices would be, for the countries of West and central Africa, a grave and unjustified interference in the economic development of their forests. For Cameroon, the forest was a benchmark of progress, and all means of sustainable management were being pursued and researched. A huge ten-year programme to generate the scientific information needed for this objective had supplied sound botanical knowledge and confirmed the silvicultural management of the major species. More than 17 mill. ha had been inventoried; management plans and codes of practice developed had been accepted by national authorities and international cooperation agencies. What was required from international cooperation was the financial resources and the technology to achieve sustainable management of forests, not disguised and unjustified commercial restrictions.

Mr. Sollo informed the Council that the news from the CITES meeting had left producers with a double feeling of astonishment and deception. They were deceived since they had believed an international organization such as CITES would consult other relevant organizations, collect objective information, and analyze it scientifically before taking a decision which could adversely affect the economies of natural resource producers; they were astonished because the consumer country governments had encouraged this type of activity at variance with the management guidelines prescribed by the ITTO. To destroy the forest economically was to decide on its physical destruction.

50. The Representative of the African Timber Organization, Mr. Mohammed Lawal Garba, thanked the Council for admitting the ATO to its session, and the Government of Colombia for hosting the Session. For several years the ATO had attended ITTC sessions as a permanent observer, permitting a close working relationship to develop. The ATO congratulated the ITTO on the negotiation of the ITTA, 1994. The new Agreement was certain to ensure future cooperation between producers and consumers in meeting the Year 2000 Objective, and in achieving the vision of the UNCED Agenda 21 Forest Principles.

Mr. Garba said that both ITTO and ATO had mandates to deal with trade in tropical timber, and trade could not be considered in isolation from the resource. It was necessary to emphasize the need for a considerable increase in the financial resources and technological know-how committed by consumer country donors to assist producers in the sustainable management of their forests. So serious was the current predicament of the economies of many producing members that they were being forced to compromise these valuable assets.

Against this background, certain movements in the CITES forum designed to lead to restrictions on the export of some tropical timber species were embarrassing to African producers, who regarded them as discriminatory and based upon inadequate information, let alone scientific proof. Any restrictive measure aimed at African timber species would be counterproductive to the protection of African forests as it would severely reduce the foreign exchange available for forest development. Lay-offs by timber companies following reduced production would result in a return to shifting agriculture and forest destruction by those who had lost their employment.

Mr. Garba called upon all ITTO Member countries and NGOs to cooperate in achieving the Year 2000 Objective. The most positive approach to this end would be the provision of increased financial resources to developing countries to enable them to fulfil this obligation.

51. The Representative of the U.S.A., Mr. Milton Drucker, indicated that he would not attempt to answer the comments by the preceding speakers from producer countries, but he wished to clarify that the report on the CITES meeting taking place in parallel with the ITTC session was made by a American non-governmental speaker and did not represent the views of his government. In fact, the U.S.A. had not yet made any decision on the matter in question, and the views of range states were

welcomed, including further comments beyond those made at this session which he would duly report to his government.

On the matter of broadleaf mahogany, Mr. Drucker told the Council that two range states, El Salvador and Colombia, had informed the U.S.A. that they might support or even co-sponsor the listing proposal. The issues were complex, and merited deep study. Both pro and con range state opinions would be carefully considered. Finally, CITES applied a 10 June 1994 deadline for receipt of proposals and comments and Mr. Drucker advised range states and others to supply their statements to this forum in time for consideration.

52. The Representative of The Netherlands, Mr. Robert van Schaagen, replied to the questions directed to his country by the Producers' spokesperson. He believed that his Government had been consulting according to the procedures for consultation provided for by CITES, besides the information submitted to ITTO reported by Council document ITTC(XVI)/6.

Mr. van Schaagen informed the Council that the internal national committee dealing with the response of range states would meet prior to the CITES deadline. He would report on the ITTC proceedings and encouraged other range states to make their views known to this Committee.

53. The Delegate of Colombia, Dr. Carlos Castaño Uribe, clarified the position of his Government in respect of consultations held with the U.S.A. on the subject of listing of Swietenia macrophylla. It was important to note that this was a regular discussion of the Colombian Embassy in the U.S.A. and in the relevant document, which he could make available to Delegates, general characteristics of the species were presented. The document did not constitute an official position of his Government supporting the proposed CITES listing for the species.

54. The Representative of Germany, Mr. Gerhard Schmok, replied to producers' concerns and the suggested review of the CITES Articles by suggesting that CITES itself was the proper forum for this matter. The German Government had taken no final decision on the species discussed, but was consulting with range states and collecting objective scientific information. However, positive support had been received from some African range states, including Liberia, for listing of Khaya and Entandophragma. He recommended range states to address their concerns to the relevant German scientific authorities and called for a spirit of cooperation rather than confrontation.

55. The Representative of Peru, Mr. Antonio Morizaki, reported to the Council that his Government had informed the relevant authorities in the United States and in The Netherlands that, in their view, the available evidence indicated it was **not** appropriate to list Swietenia macrophylla in any of the three CITES' appendices.

56. The Representative of Liberia, Mr. Ben Turtur Donnie, clarified the position of his Government by reporting that Liberia's actual statement to Germany and others was that some ten major species had been heavily "creamed" to the extent of almost exceeding their annual allowable cut (AAC). For Liberia as a whole, no more than 1.1 mill. ha had ever been taken from the AAC of 3.36 mill. ha, but for these particular genera, one species of Khaya and four of Entandophragma had been heavily cut. Therefore, a regulation now forbade export of these species as logs; processing had to be undertaken domestically.

Council Documents:

57. Council took note of the report on the last (fourth) part of the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1983, tabled by the Chairman as Document ITTC(XVI)/4.

General Statements:

58. The Spokesperson for the Producers, Mr. Amha Buang, expressed his intense appreciation of the meticulous arrangements made by the Government of Colombia for the sessions in the stunning city of Cartagena.

Mr. Amha observed that this was the first regular Session since the conclusion of the negotiations. Despite the complexity and difficulty of the issues, in his view the ITTA, 1994 was a better and more balanced agreement than the ITTA, 1983, and whilst it had compromised on the problem of scope, nevertheless there was time for the consumers to internalize the merit of the extended scope. Moreover, within two years the overall picture regarding the post-Rio arrangement for global forestry would be much clearer and the appropriate role of ITTO would also be clarified.

Finally, Mr. Amha observed that the ITTA, 1994 did broaden the scope in some respects, in particular those relating to the Annual Review and other information-sharing activities including those pertaining to progress towards the Year 2000 Objective, wherein consumer commitment had been secured. The credibility of the Organization would be enhanced by the Bali Partnership Fund to give the resources needed to achieve the Objective, and Mr. Amha called on the donor community to honour this commitment. Producers had also been able to formulate the articles necessary to prevent the ITTA, 1994 being used as a basis for discriminating against tropical forests and timber.

Mr. Amha appealed to Members to move forward and away from the sometimes acrimonious exchanges of the negotiations. It was now time for all parties to deposit their instruments of accession to the new Agreement in order that this could enter into force by 1 February 1995 as planned.

Turning to the designation of the year 1995 as the Year of the Forests, Mr. Amha noted that this would also be the tenth anniversary of the entry into force of the ITTA, 1983, the year for the review of progress towards the Year 2000 Objective, and the review year for the forests component of the U.N. Commission on Sustainable Development (UNCSD). He wished to make it explicitly clear that these initiatives were the most that producers would accept. Agendas of over-zealous groups promoting certification or market restrictions in the guise of support for sustainability would not be entertained.

Speaking on behalf of his country, Malaysia, Mr. Amha referred to the Malaysia-Canada joint initiative known as the Intergovernmental Working group on Global Forests (IWGGF). There had been no clear indication of the follow-up to the UNCED Agenda 21 decision (Chapter 21) on Combating Deforestation, and during negotiations on the Convention on Desertification as well as the implementation of the Framework Convention on Climate Change and the Convention on Biological Diversity there had been attempts to bring forestry proposals in through the "back door". Producers viewed this trend, which was quite contrary to the holistic perspective required, with great concern.

Global forestry, Mr. Amha stated, was too important for any piecemeal treatment. He recognized that some progress had been made by, for example, the Bandung Initiative for Global Partnership in Sustainable Forestry Development, the Ministerial Conference of the Forestry Forum for Developing Countries (FFDC), the Fourteenth Commonwealth Forestry Conference, and the Seminar of Experts on Sustainable Development of Temperate and Boreal Forests. Nevertheless, there remained the problems of predictable polarisation along North/South and Government/NGO lines.

These, then, were the origins of the IWGGF. Its objective was to produce concrete recommendations for the 1995 UNCSD review. There had been an encouraging response from governments of key countries with a focus on five core issues concerned with forest conservation as well as the enhancement of forest cover and the forest's role in meeting basic human needs, the criteria and indicators for sustainable forest management, trade and the environment, approaches to mobilizing resources and technologies, and institutional linkages. In looking forward to the next meeting in Canada, the Malaysian meeting recognized two further issues, participation and

transparency in forest management, and comprehensive cross-sectoral integration, including land-use planning and reference policies external to the forestry sector.

Mr. Amha concluded his statement by expressing optimism over the first meeting of the IWGGF and noting that participation would be enlarged to a limited and manageable degree especially for countries and NGOs of the South. The IWGGF results were being reported to the UNCSD with a view to facilitating preparation for international action and to continuously monitor the global situation.

59. The Spokesperson for the Consumers, Mr. Ian Symons (United Kingdom), recorded his agreement with the satisfaction expressed by his producer colleague on the conclusion of the negotiations. He was optimistic about the current session.

Mr. Symons informed the Council, in the context of the global forestry debate and on behalf of his own country, of the India/U.K. international workshop to be held in New Delhi from the 25 to 27 July, in cooperation with FAO. It too was part of the effort to provide input to the UNCSD in 1995 and had the specific objective of developing reporting formats. Output was designed to be technical and practical. FAO would collate results, perhaps via a Ministerial meeting in March 1995, for presentation to the UNCSD.

60. The Representative of the U.S.A., Mr. Milton Drucker, took the floor to express his appreciation at the conclusion of the negotiation of the ITTA, 1994, and deferred to his colleague, Ms. Stephanie Caswell, for further information on the United States' efforts to promote the cause of sustainable management of temperate and boreal forests.

61. Ms. Caswell announced that the U.S.A. Government, in cooperation with the Rockefeller Brothers Fund, an NGO, would co-sponsor a technical meeting with the objective of advancing the development of internationally agreed criteria and indicators on conservation and sustainable management of temperate and boreal forests from 7 to 11 September 1994, thereby fulfilling the offer made in Montreal in October 1983.

Ms. Caswell observed that both the Helsinki and the Montreal processes took a holistic approach to sustainability, and were deeply concerned with the multiple-use benefits afforded by forests. Areas of convergence with the pan-European initiative would be explored by the U.S. meeting. Such a consensus would be helpful in creating a common understanding, language, and definition of what constituted sustainable management of non-tropical forests.

Facilitated by an NGO, the Keystone Center of Denver, Colorado, the meeting would be held in the Pacific North West, with expected participation by technical and forest policy experts from key temperate and boreal forest countries of both hemispheres, the environmental community, forest industry and, it was hoped, representatives of ITTO producer countries. Through this meeting, the U.S. would advance the joint commitment of consumer countries made during the recent negotiations to achieve, or maintain, sustainable management of their forests by 2000.

62. The Representative of the Worldwide Fund for Nature (WWF), Mr. Gordon Shepherd, informed Council that WWF had been involved with the Organization since before its inception and had tried to mobilise staff resources to help it fulfil its mandate. However, recently the cost of these resources had reached about 100,000 SwFr per annum. WWF had supported a widening of the ambit of the successor agreement to the ITTA, 1983 from the outset of the negotiations and the parallel extension of the type of products within the mandate. It saw such a change as an improvement in the capacity of the Organization to perform effectively, and also as creating a true partnership.

Negotiators had decided not to follow WWF recommendations, and this marked a parting of the ways. Therefore the WWF would be reducing its participation in ITTO activities, and considering re-allocating resources to better options such as the Biodiversity Convention and CITES. WWF found

it difficult to see how the new ITTA, 1994 could make a useful contribution and proposed that the ITTO concentrate on trade-related work which would increase market transparency. Article 1 of the new Agreement, which covered these aspects, would need a broad and transparent interpretation to cover all types of timber.

Mr. Shepherd referred to the Certification Working Party which had taken place prior to the Session. WWF was convinced consumers wished to buy timber products from sustainably managed forests. It had called in 1989 for the international timber trade to be based on sustainably managed forests by 1995, exactly the time interval allowed by the ITTA, 1994 to meet the Year 2000 Objective. But WWF believed this should apply to all forests and it had helped to co-sponsor the Forest Stewardship Council (FSC). Any certification scheme had to be equitable, voluntary, open, independent, and publicly accountable; the FSC had been constituted with these principles in mind as a certifier of certifiers.

Mr. Shepherd concluded by expressing regret that WWF's retirement from the ITTO forum would mean losing contact with many delegates whose individual commitment was strong. WWF sincerely hoped that the four-year review of the new agreement would lead to the expansion of the scope to all forests and forest products.

63. The Representative of the Association Technique Internationale des Bois Tropicaux (ATIBT), Mr. Henri Montcerisier, recalled for Council the historic meeting of FAO and the pre-cursor of the European Community in the immediate post-war period which had sought to bring forestry experts together to verify commercial timber names, to standardize methods of physical identification, and to study these bases in the context of the nature of utilization.

On 11 December 1951, these same experts were instrumental in founding the ATIBT under the auspices of the FAO and the OECD as a strictly private organization to investigate methods of improving forest production in a perennial mode. Since that time, the ATIBT had continued its work through activities and publications. The members of the association were drawn from a wide spectrum of the profession - producers, importers, research institutes, professional forestry organizations etc.

Mr. Montcerisier said that his intervention concerned the ITTO Year 2000 Objective. He expressed the impatience of economic agents over the divergences between certain international organizations when the dense tropical forests were disappearing.

The ITTO Guidelines and Criteria on sustainable management were an excellent summary of the problems faced, but gave no immediate remedy for their solution. The World Bank considered that countries with major resources should follow these guidelines, but those with minor resources should devote them to environmental conservation. The FAO advocates approaching management country by country, region by region, formation by formation, starting from simpler criteria than those of the ITTO, to achieve minimum management.

Mr. Montcerisier explained that in the face of today's forestry problems, the ATIBT had worked with scientific experts to develop a method of harvesting and management at once practical, effective, and logical, within the ITTO criteria. He could not elaborate in detail in the time available but he wished to assure the Council of ATIBT's willingness to work with ITTO and share results. It was desirable that a rapid agreement should be reached to give the tropical forests their chance, and to ensure that tropical forest products were not subject to the dictatorship of boycotts.

Finally, Mr. Montcerisier informed the Council that the next meeting of the ATIBT would be in Yokohama from 9 to 10 November 1994, just after the opening session of the ITTC.

64. The Delegate of the Union de Commerce de Bois Tropicaux de CEE (UCBT), Mr. Jan Nico van de Stadt, observed the Council that never before in their long history of association with ITTO had the trade associations felt their role of bridge between the tropical producing countries and

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environmentally motivated initiatives to be so important. To protect the suppliers it was necessary to have a constant flow of authoritative information furnished to environmentally sensitive markets on the course of progress towards the Year 2000 Objective. The European market must see action, and not merely words. A move against tropical timber also means a move to non-wood substitutes, because the market is often not able to determine the difference between tropical and non-tropical wood in certain end-uses.

Mr. van de Stadt reported the European trade's disappointment with the closing stages of the Certification Working Party. Too much attention had been paid to differences of viewpoint and too little to the common ground identified in the excellent consultants' report. Some European nations saw certification as an urgent necessity to protect markets; others were less concerned. But groups external to the industry were campaigning strongly for its introduction, and resistance would be like King Canute commanding the rising tide to return.

The trade therefore encouraged work on certification and supported efforts to establish criteria and good practice at all multilateral or bilateral fora. Possibly trials on the ground would be necessary to test the validity of theoretical approaches. The European trade asked individual Members to reflect deeply on ITTO's role, since the Organization had to offer a credible alternative to one-sided, subjective, and self-centred *ad hoc* certification systems. It commended Indonesia for her decision to introduce eco-labelling as a self-regulatory system. The trade, Mr. van de Stadt concluded, was always willing to play its part in advancing worthy efforts in this field.

65. The Representative of FAO, Mr. James Bourke, conveyed the greetings of the new Director-General, Mr. Jacques Diouf, and invited ITTO to continue its participation in FAO activities, especially the Committee on Forestry (COFO) and the Committee on Forestry Development (CFDT), whose Membership included all ITTO Members at the current session.

Furthermore, FAO would be holding, in conjunction with the next COFO meeting in March 1995, a Ministerial Meeting to allow a full consideration of the contributions of governments and FAO to the UNCSD 1995 review.

Mr. Bourke referred to two core activities of the FAO, the first the forest resource assessments, with the reports for industrial and tropical countries published, and non-tropical developing countries soon to follow, with continuous up-dating for all; and the second was the preparation of code of practice for environmentally sound harvesting, with an expert consultation in the Philippines in October 1994. Despite the aversion to accepting harvesting as an integral part of forestry, nevertheless it was important, and improvements in harvesting practice would help protection of the remaining forest.

Mr. Bourke emphasized FAO's belief that cooperation between the two organizations would help to avoid duplication and overlap. Certification was a fruitful area for such cooperation. FAO had a mandate for all forests and their products, so cooperation on certification would resolve the difficulty of Members who believed ITTO had no role in this area because certification must cover all forests.

{Item 19: Decisions and Report of the Session}

66. The Chairman read out the draft Decisions of the Council at its Sixteenth Session. After a number of editorial corrections proposed by delegates of Cote d'Ivoire, Gabon, Cameroon, France, Congo, and Switzerland, which were all accepted by the Council, the final set of four decisions were approved, and are reproduced in this report as Annex IV.

{Item 20: Closing Session}

67. The Representative of the U.S.A., Mr. Milton Drucker, informed the Council that his Government was taking steps to ratify the ITTA, 1994, hopefully in the near future.

Speaking of his term as the Spokesperson for the Consumers, Mr. Drucker thanked the Executive Director and his staff, the translators who worked under great pressure, the interpreters, and his consumer colleagues. Mr. Drucker paid a special tribute to his counterpart the Spokesperson for the Producers, and indeed to the Malaysian delegation which Mr. Amha led. They had continuously assisted him with his work, and ranked as one of the most able delegations he had encountered in his multilateral organization experience. Nevertheless many producer delegations had also been willing to advise him of pertinent information during the course of his career as consumer spokesperson. Mr. Amha he thanked for his wisdom, patience, and integrity.

Mr. Drucker recalled his first experience of ITTO at the Fourth Session of the ITTC and his later appointment as head of the U.S. delegation. A great deal of progress had been made in this cooperative venture between producers and consumers, and he thanked all delegations warmly for their contribution to his valuable memories of the ITTC Sessions.

68. The Chairman thanked Mr. Drucker for his long and dedicated service to ITTO and wished him well in his future endeavours.

69. The Representative of the European Union, Mr. Enzo Barattini, thanked the Chairman and Vice-Chairman* of the Council for their exemplary conduct of the meetings. He thanked also the Colombian authorities for their warm reception to the marvellous city of Cartagena.

For all delegations, Mr. Barattini noted, each Council was another occasion to hear of progress to the common Year 2000 Objective. Although certain reports had been presented, the European Union had found the number less than usual; they hoped the next session would see an increase. Only armed with this important information could the Organization advance towards its goals.

Addressing the decisions adopted by the Council, Mr. Barattini said that Decision 2(XVI) reflected the difficulty of the subject of certification. However, it was positive insofar as the Council had decided to continue the work of assembling information and enquiring into the operation of existing systems. The European Union looked forward to seeing these results.

As far Decision 3(XVI) was concerned, whilst the European Union had taken note of this, it believed that the ITTO was not the most competent organization to debate the CITES question, a matter which went beyond the mandate of the ITTA.

The European Union welcomed Decision 4(XVI), and was sure that the financial arrangements made therein would help to relieve the liquidity problems potentially confronting the Executive Director during the remainder of the year.

Mr. Barattini concluded by thanking the interpreters, the Secretariat, and the two spokespersons, in particular Mr. Milton Drucker, who would be leaving for other duties in the service of his Government. He thanked Mr. Drucker for his efforts in the service of the ITTO.

* Closing items of Council business were chaired by the Vice-Chairman, Dr. Rubén Guevara Moncada (Honduras), owing to the unavoidable absence of the Chairman on matters of national importance for his Government.

70. The Spokesperson for the Producers, Mr. Amha Buang, expressed the gratitude of all the producer delegations to the host country Colombia, which would leave them with warm memories of the hospitality of Cartagena. The environment was in no small measure responsible for the luxury of an early end to Council's business without compromising the quality of the work.

Producers were pleased that further studies on particular knowledge gaps and market segments within the subject of certification would be undertaken for consideration by Council at its Eighteenth Session. They were keen to determine whether in fact a "green premium" existed and could be captured. Producers also welcomed an objective study on the scientific basis upon which conservation status might be assessed.

Mr. Amha reiterated that, following the successful conclusion of the negotiation of the ITTA, 1994, under the chairmanship of H.E. Mr. Wisber Loeis of Indonesia, producers wished to set aside the arguments involved in that negotiation and proceed in a spirit of partnership. Producers called upon Members who had registered reservations to withdraw those as soon as possible, and for all Members to accede to the ITTA, 1994.

For producers, a particularly gratifying aspect of the ITTA, 1994 was the Bali Partnership Fund and they commended Japan for her willingness to commit finance to the Fund even before the new agreement had come into force. Producers thanked Japan for her example as a financier of projects, supporter of Council Sessions, and host to the headquarters of the Organization, calling upon other consumers to emulate Japan's model efforts.

Mr. Amha expressed producers' gratitude to the Chairman and Vice-Chairman for their dynamic control of the proceedings. Thanks were also due to the team of interpreters and translators for their diligence and professionalism. Finally Mr. Amha recalled the friendship which had developed between him and his consumer counterpart during the tough negotiations, bidding him farewell, and welcoming the new consumer spokesperson, Mr. Ian Symons.

71. The Spokesperson for the Consumers, Mr. Ian Symons, noted the progress made by the Council during the Sixteenth Session, and commended the project work of the Expert Panel and the Permanent Committees, which had led to the approval of sixteen projects and finance of over US\$8 mill. offered for nineteen projects and pre-projects covering many countries.

The Working Party on Certification and the subsequent decision had clarified ITTO's role in the provision of information on this subject. Mr. Symons also commended Decisions 3(XVI) and 4(XVI).

Mr. Symons thanked the Government and people of Colombia for the excellent organization of the meetings, the interpreters, translators, and the Chairman who had kept the meetings on track. He recalled the close association, especially in forestry, between his country, the United Kingdom, and Ghana, and looked forward to the Eighteenth Session of the Council in Accra. Finally Mr. Symons paid tribute to his predecessor, Mr. Milton Drucker, who had occupied the position of consumer spokesperson for three-and-a-half years, during a gruelling period of the Council's history and whose inimitable style of professional leadership had helped to bring the negotiations for the ITTA, 1994, to a successful conclusion.

73. The Delegate of Colombia, Dr. Carlos Castaño Uribe, expressed the sense of honour felt by his country in hosting within the propitious location of Cartagena both the Sixteenth Session and the Working Party on Certification of All Timber and Timber Products and welcomed any later meeting which might develop from the work of the Organization. His Government viewed ITTO as an organization of fundamental importance, and Colombia firmly embraced the principle of sustainability to which ITTO was also committed. He thanked delegations and particularly the two spokespersons for their contributions, and wished everyone a safe journey home.

74. The Executive Director, Dato Dr. B.C.Y. Freezailah, in his closing address, acknowledged the essential contribution of the conference assistants and other officials not in the public eye. He reminded Council how essential the interpreters were to the proceedings in their role as intelligent filters of dialogue. The staff of the Convention Centre deserved praise for their work ethic and sense of obligation to the safety and comfort of delegates.

The city of Cartagena was a fitting venue for an organization so concerned with renewal. A World Heritage city, it had seen numerous expressions of the human spirit, both tragic and triumphant. In 1811, unilateral independence from colonial rule was proclaimed and in 1815 Simon Bolívar came to christen Cartagena the Heroic City and to launch the Cartagena Manifesto, the first political statement in a crusade which would lead to the liberation of Colombia, Venezuela, Ecuador, Peru, Bolivia, and Chile. Dr. Freezailah noted the many public works constantly in progress to preserve the city, and thanked the Government and people of Colombia for their hospitality to the Council.

The Executive Director recalled a very recent example of the spirit of renewal, the UNCTAD VIII, origin of the Spirit of Cartagena, now enshrined in the ITTA, 1994. This Council session had recaptured the essence of this spirit through introspection and recognition of some errors, but with a collective sense of obligation. The questions of timber certification and listing on the appendices of CITES required in each case a concerted effort to improve the collection, collation, and analysis of technical, scientific and trade information. All delegations had agreed on the need for ITTO's role in all discussions respecting tropical forests and the tropical timber trade.

Dr. Freezailah drew delegates' attention to an enterprise demonstrating ITTO's competence as an certified agent in the field of sustainability. This was the Sarawak Mission, now probably to be followed by another mission to Bolivia, whose Government deserved credit for seeking to renew its forestry sector planning in this way. On the subject of project work, the Executive Director asked all Member states to renew their confidence in the Organization, even if their projects had not been funded on this occasion, or even if, for financial reasons, they had not even been able to send a delegation to the session.

The future of the Organization had been a matter of introspection and discussion during the session. The Executive Director called upon Members to speed up the constitutional procedures required to assure an early entry into force for the ITTA, 1994. The Organization needed to build upon its achievements and to fulfil its aspirations for a better world of sustainable development of tropical forests and global environmental security. Delegates would depart not with mere reminiscences of the pleasures of their sojourn in Cartagena, but with a sense of organizational renewal, part of a reinvigorated commitment to mankind, and therefore a debt of immense gratitude was fitting at this time of farewell to the Government and people of Colombia.

75. The Vice-Chairman of the Council, Dr. Rubén Guevara Moncada, conveyed the closing message of the Chairman, Mr. Y. Suzuki, who had unfortunately been obliged to depart earlier on urgent business of his government.

The Chairman recorded his impression of the work of the Permanent Committees and Council and praised the ability of the Council to form a consensus on diverse issues. This session had begun the process of moving towards the new Agreement, with a renewed vision of hope. He urged every Member to hasten their ratification of the ITTA, 1994. The new agreement offered better horizons for sustainable development of tropical forests with new instruments such as the Bali Partnership Fund for the attainment of the Year 2000 Objective.

ITTO was thus developing an authoritative frame of reference for other relevant fora of discussion and action. The Chairman thanked all delegations and the observers for their constructive interventions; it was noteworthy that ITTO could take decisions without the necessity of a vote and this had led to a more fruitful cooperation among Members.

In conclusion the Chairman thanked Council's hosts on this occasion, the Government of Colombia, especially the Ministry of the Environment and Minister Dr. Manuel Rodríguez Becerra; INDERENA and the chief executive Dr. Consuelo Ordoñez de Rincón and the head of the Forestry and Soils Division, Dr. Carlos Castaño Uribe, who had personally contributed in great measure to the success of the session. The hospitality and spirit of collaboration of Cartagena and Colombia were greatly appreciated.

Thanking all delegations for their contributions, the Chairman wished them a safe journey home and formally closed the Sixteenth Session of the International Tropical Timber Council.

ANNEX I

LIST OF PARTICIPANTS

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SIXTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

LIST OF PARTICIPANTS

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

Cartagena de Indias, Colombia, 16-23 May 1994

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

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- ** Mr. David Persram Chairman, Guyana Forestry Commission, Georgetown
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* * *

ANNEX II

Agenda

{Document; ITTC(XVI)/1}

Distr.
GENERAL

ITTC(XVI)/1
11 March 1994

Original: ENGLISH

SIXTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

AGENDA

1. Opening of the Session
2. Ascertainment of the Quorum
3. Adoption of the Agenda and Organization of Work
4. Report on Membership of the Council
5. Distribution of Votes
6. Admission of Observers
7. Appointment of the Credentials Committee
8. Statement by the Executive Director
9. Projects:
 - a) Reports of the Fourteenth Sessions of the Permanent Committees
 - b) Consideration of Project and Pre-Project Proposals
10. Sustainable Management of Tropical Forests: Reports by Members on their Proposed Progress towards the Year 2000 Objective - Decision 3(X)
11. Report of the Working Party on Certification of All Timber and Timber Products
12. Review of Contributions to the Administrative Budgets
13. 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
14. Auditors' Report for 1993
15. Annual Report for 1993

16. Report of the Credentials Committee
17. Dates and Venue of the Eighteenth Session of the Council and the Sixteenth Sessions of the Permanent Committees
18. Other Business
19. Decisions and Report of the Session
20. Closure of the Session

ANNEX III

MEMBERSHIP OF COUNCIL AND DISTRIBUTION OF VOTES FOR MEMBER STATES FOR 1994

DISTRIBUTION OF VOTES FOR 1994

	<u>Number of Votes</u>	
	<u>1993</u>	<u>1994</u>
<u>PRODUCERS</u>		
Africa		
Cameroon	28	28
Congo	27	28
Côte d'Ivoire	28	28
Gabon	28	28
Ghana	27	28
Liberia	27	28
Togo	27	28
Zaire	28	28
Asia & Pacific		
India	38	34
Indonesia	178	172
Malaysia	147	141
Myanmar	-	34
Papua New Guinea	32	28
Philippines	32	25
Thailand	24	21
Latin America		
Bolivia	28	26
Brazil	151	141
Colombia	31	29
Ecuador	20	18
Guyana	20	19
Honduras	15	14
Panama	16	15
Peru	33	31
Trinidad & Tobago	15	13
Venezuela	-	15
Total	1,000	1,000

CONSUMERS

Australia	19	18
Austria	11	11
Canada	12	12
China	30	38
Egypt	15	15
European Community		
Belgium/Luxembourg	27	27
Denmark	11	12
France	47	47
Germany	37	37
Greece	13	14
Ireland	13	13
Italy	38	38
Netherlands	44	43
Portugal	18	18
Spain	26	26
United Kingdom	50	45
Finland	11	11
Japan	346	349
Nepal	10	10
New Zealand	10	10
Norway	11	11
Republic of Korea	95	105
Russian Federation	11	13
Sweden	14	11
Switzerland	11	11
United States of America	70	55
Total:	1,000	1,000

Annex IV

TEXT OF THE MAIN DECISIONS

ADOPTED BY THE COUNCIL AT ITS SIXTEENTH SESSION

{Documents: DECISION 1(XVI) ITTC(XVI)/8
DECISION 2(XVI) ITTC(XVI)/9
DECISION 3(XVI) ITTC(XVI)/10
DECISION 4(XVI) ITTC(XVI)/11}

Distr.
GENERAL

ITTC(XVI)/8
23 May 1994

Original: English

SIXTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

DECISION 1(XVI)

PROJECTS AND PRE-PROJECTS

The International Tropical Timber Council,

Having considered, at its Sixteenth Session, the recommendations of the three Permanent Committees on Projects and Pre-Projects as contained in documents PCM(XIV)/13 Rev.1, PCF(XIV)/22 Rev.1 and PCI(XIV)/5,

1. Decides:

(i) To approve the following Projects:

PD 5/94 Rev.3 (M)	DEVELOPMENT OF A COMPUTERIZED INFORMATION SYSTEM FOR THE FORESTRY COMMISSION OF GHANA (\$242,650.00)
PD 19/94 Rev.2 (M,I)	FOREST INDUSTRY DIAGNOSIS IN PERU (\$579,037.00)
PD 24/94 Rev.1 (M)	BLUEPRINT FOR ADAPTING THE FOREIGN TRADE REGISTRATION SYSTEM AT THE ITTO NATIONAL LEVEL (\$65,094.00)
PD 34/94 Rev.1 (M)	ESTABLISHMENT AND IMPLEMENTATION OF A FOREST STATISTICAL INFORMATION SYSTEM (\$839,158.00)
PD 35/94 Rev.4 (M)	WOOD PRODUCTS MARKETING ORGANIZATION FEASIBILITY STUDY (\$409,340.00)
PD 33/93 Rev.1 (F) (Phases I & II)	CONSERVATION, MANAGEMENT, HARVESTING AND INTEGRATED AND SUSTAINED USE OF FORESTS IN THE CHIMANES REGION, BENI, BOLIVIA Phase I (\$1,591,520.00) Phase II (\$ 929,930.00)

/...

PD 35/93 Rev.4 (F) (Phases I & II)	FORESTRY MANAGEMENT, COMMUNITY DEVELOPMENT AND SUSTAINED USE THE FORESTS ON THE PUNTO PATINO NATURE RESERVE, DARIEN REGION, REPUBLIC OF PANAMA Phase I (\$564,425.00) Phase II (\$664,650.00)
PD 8/94 Rev.2 (F)	EVERGREEN CLUB OF GHANA/ITTO YOUTH IN FORESTRY PROJECT (\$77,015.000)
PD 16/94 Rev.2 (F)	REFORESTATION FOR THE PRODUCTION OF VALUABLE TIMBER AND NON-TIMBER PRODUCTS (\$305,078.00)
PD 18/94 Rev.1 (F) (Phases I & II)	PARTICIPATORY FOREST DEVELOPMENT IN THE ALTO MAYO REGION FOR THE SUSTAINABLE MANAGEMENT OF MOIST TROPICAL FORESTS Phase I (\$492,790.00) Phase II (\$888,310.00)
PD 23/94 Rev.1 (F)	REHABILITATION OF FIRE AFFECTED FORESTS IN EAST KALIMANTAN (\$1,010,268.00)
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 (\$379,800.00)
PD 27/94 Rev.2 (F)	WOMEN AND TROPICAL FOREST DEVELOPMENT PROGRAMME (\$694,823.00)
PD 28/94 Rev.1 (F)	CONTINUATION OF THE PUBLICATION OF THE JOURNAL "BOSQUES Y DESARROLLO" AND ORGANIZATION OF A COMMUNICATION AND INFORMATION SERVICE (\$287,804.00)
PD 29/94 Rev.2 (F)	SEMINAR AND STUDY TOUR ON BIODIVERSITY IN NATURAL FOREST IN MIYAZAKI, JAPAN (\$141,500.00)
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 (\$992,017.00)

/...

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

PD 5/94 Rev.3 (M)
PD 24/94 Rev.1 (M)
PD 35/94 Rev.4 (M)
PD 33/93 Rev.1 (F) Phase I
PD 35/93 Rev.4 (F) Phase I
PD 16/94 Rev.2 (F)
PD 18/94 Rev.1 (F) Phase I
PD 27/94 Rev.2 (F)
PD 29/94 Rev.2 (F)
PD 31/94 Rev.1 (F)
PD 95/90 (F) Phase II

- (iii) To authorize an increase in the budget of the following Project:

PD 17/93 Rev.3 (M,F,I)	Phase I	(\$154,700.00)
	Phase II	(\$132,600.00)

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

PD 1/93 Rev.1 (M,F,I)	(\$200,000.00)
PD 17/93 Rev.3 (M,F,I) Phase I	(\$154,700.00)

- (v) 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 19/94 Rev.2 (M,I)
PD 34/94 Rev.1 (M)
PD 8/94 Rev.2 (F)
PD 23/94 Rev.1 (F)
PD 26/94 Rev.1 (F)
PD 28/94 Rev.1 (F)

2. Decides:

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

PPD 4/94 Rev.1 (M,F,I)	GROUNDWORK FOR AN ITTO INFORMATION MANAGEMENT SYSTEM (\$64,090.00)
PPD 5/94 (M)	IMPLEMENTATION OF A FOREST STATISTICAL SYSTEM (\$48,003.00)
PPD 12/93 (F)	BIOTECHNOLOGY AND SUSTAINABLE PRODUCTION OF TROPICAL TIMBER (\$44,000.00)

/...

PPD 3/94 Rev.1 (F) STUDIES AND DIAGNOSIS OF THE ACTUAL FOREST
PRODUCTION IN THE PROVINCE OF DARIEN WITHIN THE
FRAMEWORK OF SUSTAINABLE FOREST RESOURCE
MANAGEMENT
(\$82,818.00)

PPD 6/94 (I) DEVELOPMENT AND EXTENSION OF RUBBERWOOD
PROCESSING TECHNOLOGY
(\$26,375.00)

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

PPD 4/94 Rev.1 (M,F,I)
PPD 5/94 (M)
PPD 12/93 (F)
PPD 6/94 (I)

- (iii) To authorize additional funding for immediate implementation of the following Pre-Project approved at the Thirteenth Session:

PPD 11/92 (I) (\$100,000.00)

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

PPD 3/94 Rev.1 (F)

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

- Eighth Expert Panel for the Technical Appraisal of Project Proposals, 29 August - 2 September 1994 (\$110,500.00)

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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Distr.
GENERAL

ITTC(XVI)/9
23 May 1994

Original: ENGLISH

SIXTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

DECISION 2(XVI)

CERTIFICATION OF ALL TIMBER AND TIMBER PRODUCTS

The International Tropical Timber Council,

Recalling Decision 6(XV) requesting the Executive Director to engage two experts, one from a producer country and one from a consumer country, to undertake a consultancy on certification and labelling of all timber and timber products,

Noting the report of the consultant experts entitled "Certification Schemes for All Timber and Timber Products",

Further noting the report of the Working Party on Certification of All Timber and Timber Products held in Cartagena de Indias, Colombia, from 12 to 16 May 1994,

Recognizing that timber certification schemes should be neither discriminatory nor be the basis for trade measures incompatible with the GATT,

Recalling the desirability of enhancing the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000,

Recalling also the statement of commitment to maintain, or achieve by the year 2000, the sustainable management of their respective forests made by consuming members,

Desiring to promote the free exchange of information on matters affecting trade in timber and timber products,

Decides to:

- (i) register its appreciation to the consultant experts for preparing an informative and comprehensive paper for the consideration of the Working Party;
- (ii) request members to furnish to the ITTO information on the development, organization

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- and implementation of certification schemes covering internationally traded tropical and non-tropical timber and timber products;
- (iii) request the Executive Director to continue gathering information and monitoring developments and report to the Council in respect of the formulation and implementation of certification schemes covering internationally traded tropical and non-tropical timber and timber products, through appropriate consultancies;
 - (iv) request the Executive Director to engage two consultant experts, one from a producer country and one from a consumer country, to undertake a detailed study on markets and market segments for certified timber and timber products, for consideration at its Eighteenth Session;
 - (v) authorize the Executive Director to arrange for the financing of the above consultancies and study from the Special Account.

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ITTC(XVI)/10
23 May 1994

Original: ENGLISH

SIXTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

DECISION 3(XVI)

**LISTING OF INTERNATIONALLY TRADED TIMBER SPECIES
IN THE APPENDICES OF THE CONVENTION ON INTERNATIONAL TRADE
IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES)**

The International Tropical Timber Council,

Recalling Decision 6(XII) concerning actions to improve cooperation between ITTO and CITES,

Noting the latest draft proposals to list several internationally traded tropical timber species in the Appendices of CITES for the consideration of the 9th CITES Conference of the Parties in Fort Lauderdale, Florida, U.S.A., from 7 to 18 November 1994,

Emphasizing the need to have a sound scientific basis for making objective decisions on the listing of species in the Appendices of CITES,

Underlining the importance of internationally traded timber to the economies of producing and consuming member countries,

Recognizing objective 1(a) of the ITTA, 1983, of providing an effective framework for cooperation and consultation between producing and consuming members with regards to all relevant aspects of the tropical timber economy,

Decides to:

- (i) encourage members to coordinate their actions within ITTO and CITES, and to avoid inconsistent approaches in these fora;
- (ii) request members to consult on the status of internationally traded tropical timber species at ITTO, preferably before such species are formally proposed for listing in the Appendices of CITES;

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- (iii) request members to inform the ITTO at the earliest opportunity of any proposal to list internationally traded tropical timber species in the Appendices of CITES, providing the basis and information regarding the proposal;
- (iv) request the Executive Director to notify members of any proposal to list internationally traded tropical timber species in the Appendices of CITES, to provide all available relevant information regarding the proposal and species concerned to members, and to arrange for consultation on the matter at the subsequent Council Session;
- (v) further request the Executive Director to arrange for a study to examine methodological bases for regulating international trade in plant species that are endangered or may become endangered;
- (vi) authorize the Executive Director to arrange for the financing of the above study from the Special Account.

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23 May 1994

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SIXTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

DECISION 4(XVI)

FINANCIAL MANAGEMENT OF THE ADMINISTRATIVE BUDGET FOR 1994

The International Tropical Timber Council,

Recording its concern over the current total receipts of Members contributions to the Administrative Budget for 1994,

Noting nevertheless the diligence of the Executive Director and his staff in making economies and improving the efficiency of the Secretariat operations,

Authorizes the Executive Director to use the sum of up to \$400,000 from the Working Capital Account, if necessary, to finance the operations of the Secretariat for 1994.

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ANNEX V

REPORTS OF THE FOURTEENTH SESSIONS OF THE THREE PERMANENT COMMITTEES

{Documents: PCM(XIV)/13 Rev. 1
PCF(XIV)/22 Rev. 1
PCI(XVI)/5 }

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FOURTEENTH SESSION
16-23 May 1994
Cartagena de Indias, Colombia

**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL
FOURTEENTH 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.

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1. Opening of the Session

The Fourteenth Session of the Committee was opened on 16 May 1994 at a Joint Session of all three Permanent Committees under the Chairmanship of Mr. Enrique Toledo G.P. (Peru), Chairman of the Permanent Committee on Economic Information and Market Intelligence. The list of participants is reproduced in document ITTC(XIV)/Info.2 Rev.1.

2. Adoption of Agenda and Organization of Work

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

3. Admission of Observers

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

4. Report on Completed Projects and ITTO Activity

i. **PD 42/88 Rev.1 (M)**

The Structure of China's Tropical Timber Market, the Current Situation of International Cooperation of the PRC and Prospects for Year 2000

ii. **PD 124/91 Rev.1 (M)**

Study on the Substitution of Bamboo for Tropical Timber and Timber Products

The Committee took note of the verbal report by the representative of China of the projects listed in (i) and (ii) above. All members and other interested parties will receive copies of the final reports of these projects.

iii. **PD 173/91 Rev.2 (M)**

Market News Service for Tropical Timber and Timber Products: Phase II

The Committee took note of the report contained in document PCM(XIV)/3 on the completion of Phase II of the MNS project.

iv. **PPA/11-13**

Forest Resource Accounting: Monitoring Forest Condition and Management

The Committee took note of the final report of this activity which has been circulated to all members. The representative of the U.K. reported that two of the three target countries have decided to implement the forest resource accounting system and that progress in this regard would be reported to the Committee.

5. Review of ITTO Activity in Progress

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

The Committee was given a detailed presentation of the work undertaken in this activity by the representatives of IIED and Ghana, who also responded to a number of enquiries from other delegates.

6. Review of Project Work in Progress

The Committee considered a report [document PCM(XIV)/5] prepared by the Secretariat on the status of projects approved for financing and implementation by the Council. The Committee took note of the progress report on the following nine projects:

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

A report on progress in this project was presented to the Committee by the representative of FUNATURA, one of the joint executing agencies.

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

The representative of Oxford Forestry Institute, the executing agency, presented a progress report to the Committee. The Committee took note of discussions which had been undertaken to institute a distribution scheme for the database and of the proposal that an initial charge of £400 be made. ITTO members would be entitled to one free copy with any further copies subject to a schedule of fees to be developed. It is envisaged that research and academic institutions would receive discounts when purchasing the system.

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

The representative of the implementing agency, Wageningen Agricultural University, gave a brief verbal report and offered to demonstrate the MoreLKS system to interested parties.

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

The representative of Gabon gave a preliminary progress report on this project which has just begun.

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

The representative of SBH gave a slide presentation of the scope and structure of data being collected under this project.

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

The Secretariat reported on progress in the project and on preparations being made for shifting the service to Yokohama at the end of 1995.

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

The Secretariat reported on the arrangements which have been made in the three producing regions to facilitate the first cycle of workshops under this project.

viii. **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

The representative of Reid Collins reported on preliminary arrangements being made for this project, including the organization of the Workshop scheduled for June 1994 in the Philippines.

ix. **PD 40/92 Rev.1 (M)**
Study of the Internal Timber Market in Cameroon for the Purpose of Improving the Management of the Forest Resources

The Secretariat reminded members that this project would lapse under ITTO's sunset clause if no funds were forthcoming at this Session.

7. Consideration of Pre-Project and Project Proposals

The Committee had before it three pre-project and six project proposals evaluated by the Expert Panel for the Technical Appraisal of Project Proposals at its Seventh Session in Yokohama (28 February - 4 March 1994). The Technical Assessments of these pre-project and project proposals are contained in Appendix A.

i. **PPD 1/94 (M)**
Market Data Input Service for African Timbers and Timber Products

The Government of Ghana reported that it would submit a revised proposal taking into account the comments of the Expert Panel at the next session of the Permanent Committee.

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

The Committee approved the pre-project for immediate implementation. It invited the Secretariat to take into account the views expressed by Canada and Brazil that members should be allowed to contribute inputs during implementation of the pre-project.

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

The Committee took note of the pre-project formulated out of the original project proposal PD 22/94 (M), on the basis of the comments of the Expert Panel. The Committee approved the pre-project for immediate implementation.

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

The Committee took note of further revisions to this project. The budget has consequently been reduced to US\$448,150 with an ITTO contribution of US\$242,650. The Committee recommended that the project be approved for immediate implementation.

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

The Committee took note of further revisions to the project. The Committee recommended that the project be approved for immediate implementation.

vi. **PD 24/94 Rev.1 (M)**
Blueprint for Adapting the Foreign Trade Registration System at the ITTO National Level

The Committee noted that work should proceed promptly on this project because of the pending implementation of the revised Harmonized System of the Customs Classification Council. The Committee requested the executing agency to extend the coverage of the study to all timber species. The representative of the executing agency confirmed that this was the intent of the project for practical reasons. The Committee further requested the executing agency to disseminate its findings in time to allow for full discussions on the results of this project to take place at the next session of the Permanent Committee. With the foregoing considerations, the Committee recommended that the project be approved for immediate implementation.

vii. **PD 25/94 (M)**
Continuity of Timber Production and the Assessment of Conservation Status

The Governments of Malaysia and the United Kingdom reported that they would submit a revised proposal taking into account the comments of the Expert Panel at the next session of the Permanent Committee.

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

The Committee recommended that the project be approved for immediate implementation.

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

The Committee took note of further revisions to this project. The budget has consequently been reduced to a total of US\$509,340, of which the ITTO contribution is US\$409,340. The Committee recommended that the project be approved for immediate implementation.

8. 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.

9. Dates and Venue of the Fifteenth Session of the Permanent Committee

The Fifteenth Session of the Committee will be held in conjunction with the Seventeenth Session of the International Tropical Timber Council scheduled for Yokohama, Japan from 8 to 16 November 1994.

10. Any Other Business

i. **Revision of the Annual Forecasting and Statistical Enquiry**

The Committee had before it the revised Forecasting and Statistical Enquiry prepared by the Secretariat. The Secretariat called for guidance from members in any further revision, and in the presentation and analysis of data collected in the Annual Review. The Committee noted that encouraging greater market transparency was one of its primary objectives. It also noted that an important means of achieving this goal is to ensure adequate coordination, both with other national and international organizations collecting forestry statistics and within ITTO's own project and non-project work in the field of Economic Information and Market Intelligence. The Committee recognized that Articles 29 and 30 of the ITTA (1994) would have far-reaching implications for ITTO's information sharing functions and that planning, including improved liaison with other relevant organizations, should commence as soon as possible to allow for a smooth transition to the new agreement. The Committee noted the concerns of some members regarding the expanded content of the 1993 ITTO Enquiry, given that the ITTA (1994) has not yet entered into force. Members were requested to complete at least those questions in the recently distributed 1993 Enquiry which relate to tropical timber. Consultations should continue in ITTO and other fora to develop consistent and broadly acceptable information collection mechanisms.

ii. Theme for the 1994 Market Discussions at the Seventeenth Session of the ITTC (November 1994)

Following discussions during the Council Session, it was decided that:

- The annual Market Discussions take place during the first bi-annual session of the ITTC (usually in May);
- In view of the change in dates and in conformity with the ITTA, 1983, a one-day Market Discussion will take place during the Seventeenth Session of the Council on the topic "Changes in the Panel Trade";
- The regular annual Market Discussions in 1995 will be on the topic "Substitution as it Affects the International Tropical Timber Trade".

iii. Elements for Preparing and Assessing Project Proposals on Statistical Information Systems

The Committee considered document PCM(XIV)/6 prepared by the Secretariat to assist members submitting proposals for the development of their statistical infrastructure. The Committee decided to recommend to Council that the "Elements for Preparing and Assessing Project Proposals on Statistical Information Systems" be circulated to all members.

11. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

i. That funds be allocated to implement Pre-Projects:

PPD 4/94 Rev.1 (M,F,I) [US\$64,090]
PPD 5/94 (M) [US\$48,003]

ii. That Projects PD 5/94 Rev.3 (M), PD 19/94 Rev.2 (M,I), PD 24/94 Rev.1 (M), PD 34/94 Rev.1 (M) and PD 35/94 Rev.4 (M,I) be approved for immediate implementation.

iii. That funds be allocated to implement Projects:

PD 5/94 Rev.3 (M) [US\$242,650]
PD 19/94 Rev.2 (M,I) [US\$579,037]
PD 24/94 Rev.1 (M) [US\$65,094]
PD 34/94 Rev.1 (M) [US\$839,158]
PD 35/94 Rev.4 (M,I) [US\$409,340].

iv. That funds be allocated to implement project PD 40/92 Rev.1 (M) [US\$137,820].

v. That the new schedule of Market Discussions described under item 10 (ii) of this report be endorsed.

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- vi. That ITTO should provide representation at the technical level to all relevant fora on forestry statistics, including meetings of the FAO/ECE Working Party on Statistics, FAO Forest Resource Assessment and Customs Cooperation Council.
- vii. That a technical Working Group consisting of experts from the ITTO Secretariat, interested member countries and relevant international and national organizations be established to meet in Yokohama during the Seventeenth Session of the ITTC to develop means of coordination in the collection and dissemination of forestry statistics and to present recommendations to the Council at that Session.

APPENDIX A

TECHNICAL ASSESSMENTS OF PROJECT PROPOSALS IN THE AREA OF ECONOMIC INFORMATION AND MARKET INTELLIGENCE

PRE-PROJECTS

1. PPD 1/94 (M) Market Data Input Service for African Timbers and Timber Products

This one-year pre-project proposes to establish at the Forest Research Institute of Ghana (FORIG) the nucleus of a regional market information and dissemination center for West and Central Africa. The Centre's main objective will be to improve the sources and quality of market information by providing a consistent and orderly collection of tropical timber market data from Cameroon, Congo, Côte d'Ivoire, Gabon, Ghana, Liberia, Nigeria and Zaire to the ITTO Secretariat and the ongoing project PD 16/94 Rev.4 (M) "Market Information Service for Tropical Timber and Timber Products". The pre-project's specific objectives are:

- To increase the flow of market information for logs, sawnwood, plywood and secondary timber products from the region.
- To provide current and timely reports of prices and other economic data, including progress towards sustainability, for transmission to MNS and ITTO.
- To establish a viable network of correspondents from governments and industry in the West and Central African tropical timber producing countries.
- To assist in developing collection and dissemination systems for market and statistical data in the tropical timber producing and exporting countries of the region.

The pre-project proposal was initially submitted to the 5th Session of the ITTO Expert Panel for the Technical Appraisal of Projects in February 1993. The comments of the Panel in its report were as follows:

The Panel considered that the overall output of the proposal was good and would serve, as indicated, to fill the gap in information from the producing member countries of West and Central Africa. However, it was considered important to ensure coordination with the outputs of PD 51/92 (F) through the African Timber Organization and PD 16/93 (M) through ITC/ITTO. As the Panel has recommended that both of these projects be reformulated for resubmission, this coordination will be difficult to achieve at this stage and that a logical approach would be to incorporate a feasibility study of the establishment of a market data input service into the pre-project proposed to assess and reformulate PD 16/93 (M). The Panel requested that such a feasibility study clarify the terms of reference for the proposed consultants and provide a detailed work-plan and annotated budget, particularly with respect to lines 4 and 5 in the current budget (cost of salaries and travel for personnel in and outside Ghana). The Panel further requested that the feasibility of collecting data on inter-regional trade, domestic markets and forest areas and exploitation in the region be assessed, as well as the potential for political commitment to be secured from all target countries in order to ensure cooperation for the various national correspondents in their sourcing of information. The Panel requested that a new project proposal be submitted to its next session based on the feasibility study recommended here and incorporating developments in the reformulation of PD 16/93 (M) and PD 51/92 (F).

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PD 51/92 (F) has not been resubmitted. In the revised PD 16/93 Rev. 4 (M), it was proposed that the allowance for regional consultants could be used to attain many of the outputs proposed for the original pre-project. However, it is now apparent that the establishment of African correspondents for the Market News/Information Service will require more time and resources than are available through PD 16/93 Rev 4 (M). With the impending transfer or relocation of the MNS to ITTO, Yokohama as the Market Information Service, the Secretariat needs to be closely involved in the selection of and liaison with correspondents from all regions, and especially in Africa. It is therefore timely for the Panel to reconsider the reformulated pre-project at this session.

The pre-project meets the objectives outlined under Programme Area 1 (Information Collection, Analysis and Dissemination) of the Work Program in the field of Economic Information and Market Intelligence contained in the ITTO Action Plan. The pre-project also meets Objectives (a), (b), (d), and (g) of Article 1 of the ITTA 1983.

Comments and Recommendations of Expert Panel

The Panel noted the importance of improved market information from the African region. However, it felt that the activities of the pre-project should include and specify clearly liaison with ITTO, particularly in the selection of consultants in the various countries and establishment of the parameters for data collection and transfer. Financial provision for such liaison should be made in the budget.

The Panel was unclear about what project might arise from the pre-project and requested that this be clarified. It also noted that the ITTO programme support costs were calculated at only 5% instead of 5.5% as required.

Finally, the Panel requested that more details of the relevant expertise of the proposed executing agency be included in the proposal, together with an explanation of the role of the "Timber Export Development Board representative" as provided for in the budget. It was suggested that the Timber Export Development Board might in fact be a more appropriate executing agency for this pre-project, and that the Government of Ghana should consider this in revising the proposal.

Conclusions

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 Government of Ghana reported that it would submit a revised proposal taking into account the comments of the Expert Panel at the next session of the Permanent Committee.

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

This six-month pre-project proposes to establish a public relations programme for ITTO while awaiting the appointment of a substantive Information Officer, hopefully in 1995. The pre-project will attempt to develop more efficient document handling and analysis in the Secretariat to allow project results, etc. to be disseminated to the general public. It will also produce a general information brochure on ITTO, and other related promotional material. The pre-project's specific objectives are:

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- To write, illustrate, publish and distribute an ITTO pamphlet in all three working languages to publicize world-wide the Organization and its activities.
- To improve the internal document management system of the Secretariat through the introduction of new hardware and software tools.
- To design a proactive public relations programme for the Organization including publications, lectures, and audio-visual presentations to be implemented from 1995-2000.

Given the ever-increasing demands on the Secretariat for general and specific information about the Organization, and given the rapidly growing pool of information on project and non-project work, there is a compelling need to begin a programme such as is proposed here as soon as possible.

The pre-project will raise the international profile of the Organization as called for in Section 2 of the ITTO Action Plan. The pre-project also meets Objective (a) of Article 1 of the ITTA 1983.

Comments and Recommendations of Expert Panel

The Panel noted the value of the pre-project in assisting ITTO to cope with the increasing amount of information being generated by the Organization. It felt that the pre-project offers a good short-term solution to the need for information management/public relations functions in ITTO until the appointment of a substantive Information Officer. The in-kind contributions of the Secretariat should be quantified in a supplementary budget.

Conclusions

While these minor amendments were considered desirable, the Panel concluded that the project should be recommended to the Permanent Committee for final appraisal and approval.

Assessment by the Committee

The Committee approved the pre-project for immediate implementation. It invited the Secretariat to take into account the views expressed by Canada and Brazil that members should be allowed to contribute inputs during implementation of the pre-project.

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

Refer to the entry on PD 22/94 (M) for the Expert Panel's review of the project which gave rise to this pre-project.

Assessment by the Committee

The Committee took note of the pre-project formulated out of the original project proposal PD 22/94 (M), on the basis of the comments of the Expert Panel. The Committee recommended that the pre-project be approved for immediate implementation.

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PROJECTS**4. PD 5/94 Rev.3 (M) Development of Computer Information System for the Forestry Commission of Ghana**

Forestry operations in Ghana are the responsibility of the Forestry Commission following a new law passed in July 1993. However, there are at least 10 other governmental agencies operating in the forestry sector in Ghana. There is relatively little inter-agency coordination in information gathering, and virtually no linking of these agencies by computer. This two year project proposes to establish methodologies to standardize information gathering, to coordinate operations between forest sector agencies and to develop an information exchange network for Ghana's forest sector agencies.

The project's specific objectives are:

- To achieve an improvement in data collection and storage in the forest sector.
- To ensure timely analysis of performance of the forestry sector.
- To coordinate different sources of forest sector information within the sector agencies.
- To establish and disseminate a data bank on forestry and wildlife resources.
- To establish overall coordination of project activities related to forest and wildlife resources within the forest sector.

The databases developed will assist in felling control, financial management, policy analysis and administration.

The project meets the objectives outlined under Programme Areas 1 (Information Collection, Analysis and Dissemination) and 2 (Technical Assistance in Establishment and Improvement of Statistical Services) of the Work Program in the field of Economic Information and Market Intelligence contained in the ITTO Action Plan. The project also meets Objectives (b), (d), (f), (g) and (h) of Article 1 of the ITTA 1983.

Comments of the Expert Panel

The Panel noted the value of the project to improved forest monitoring and management in Ghana. However, the project was not in the format given in the ITTO project formulation manual and several essential items were missing or given in insufficient detail. The Panel pointed out that there were no development objectives given for the project, although some of the activities proposed seemed very ambitious and might in fact be considered as objectives. There was no assessment of risks relevant to the project; nor were terms of reference for the key personnel included.

The Panel felt that the project lacked clarity in terms of the organizational structure to be employed. The project does not clearly identify how the inter-agency liaison called for would actually be achieved. There would obviously be a fairly large "in-kind" contribution from Ghana in terms of the participation of staff members of various departments and agencies. The Panel recommended that these "in-kind" contributions be estimated and explicitly quantified in the project document, together with a clear organizational structure for the project. The Panel also queried where the computer hardware to be purchased would be physically located.

The Panel felt that the assignment durations proposed for the computer professionals in the project proposal were too short for the probable range of activities required. Again, it was felt that detailed terms of reference would assist in assessing the likely durations required. The Panel also expressed concern that some of the computer equipment proposed in Annex 3 was somewhat dated and proposed that the computer professional retained help to select the most up to date equipment compatible with the project

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objectives and budget. A number of different suppliers should be approached to ensure the most efficient use of project funds.

The Panel suggested that the project should investigate the use of databases in other agencies/sectors, both in Ghana and in other countries, with the possibility of modifying existing software. The ITTO Secretariat could also assist in ensuring that the information output from this project is consistent with its requirements. It was also suggested that the relevance of the project to environmental monitoring and impact assessment be stressed.

The Panel felt that the budget for the project was low for the range of activities anticipated. Specifically, the amounts specified for the computer professionals should be increased in line with the above recommendation. There may be a possibility of combining the Computer Specialist/Computer Vendor position. Adequate funds should be allocated for ITTO monitoring and evaluation, and the 5.5% ITTO programme support costs should be applied to the total budget to be sought from ITTO.

Recommendations

Revision of the proposal should:

- Follow the ITTO format.
- Include terms of reference for key personnel.
- Clarify organizational structure.
- Quantify "in-kind" contribution.
- Allow for retaining computer professional to assist in equipment selection and purchase.
- Provide adequate funds in the budget for computer professional(s), ITTO evaluation and monitoring and ITTO programme support costs.
- Rename the project "Development of computerized information system for the Forestry Commission of Ghana".

Conclusions

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 took note of further revisions to this project. The budget has consequently been reduced to US\$448,150 with an ITTO contribution of US\$242,650. The Committee recommended that the project be approved for immediate implementation.

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

This project proposes to undertake a thorough assessment of the current situation of the Peruvian forest industry so as to provide adequate and up-to-date information required for the appropriate formulation of national sustainable development policies, strategies and plans for this sector. The current lack of information has hindered any efforts made so far to further develop this sector.

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The main objectives are to: a) conduct a forest industry survey at the national level in order to gather pertinent information related to timber harvesting and primary and secondary wood processing enterprises; b) develop a computerized data bank to systematically compile and process information gathered from the survey and other sources; and c) analyze the compiled data and prepare a diagnosis of the current situation of the Peruvian forest industry sector.

The study will primarily focus on the following aspects of the forest industry sector:

- Supply of raw material
- Product lines and production
- Installed capacity (real, operational / idle)
- Corporate organization and management
- Industrial development
- Level and appropriateness of technology (machinery and equipment)
- Marketing and markets
- Financial ratios
- Manpower training capacity
- Fiscal incentives/disincentives
- Credit access
- Industrial associations

It is envisaged that this one-year project will lead to a second phase which will formulate long-term policies and programmes for the sustainable development of the Peruvian forest industry sector.

The project is consistent with the priorities established in the ITTO Action Plan in the field of Economic Information and Market Intelligence, with specific relevance to Programme Areas 1 (Information Collection, Analysis and Dissemination), 2, (Technical Assistance in Establishment and Improvement of Statistical Services), 4, (Situation, Trends and Prospects Studies) and 5, (Policy-Oriented Studies). The project also meets Objectives (a), (b), (c), (d), (e), (g) and (h) of Article 1 of the ITTA 1983.

Comments of the Expert Panel

The Panel felt that the development objective had been clearly stated and recognized that the project was highly relevant to the ITTO objectives and core priorities. The Panel also emphasized that, considering the recent changes in forest sector management in Peru, the proposed survey is a major opportunity for INRENA to enhance its capabilities as a promoting body providing advice to the forest industry sector on sustainable resource management approaches. The panel also felt that the purpose of the survey should not only be viewed as providing a snapshot of the forest industry at one point in time, or as ending with a final report, but rather it should be used to strengthen communication links between INRENA and the industrial sector on an ongoing basis. However, the Panel believed a number of issues warranted further clarification and/or modification. Specifically, the Panel mentioned the following:

- The status of the three key actions required to start project implementation (i.e. the new forest legislation, the new political constitution, and consolidation of INRENA's operational capacity) was not clear.
- Even though the proposed duration is one year, the contractual time frame for certain key personnel extended beyond the proposed period (i.e. funding for regional coordinators and technical equipment is provided for 25 months, and for an administrator, 16 months).
- The involvement of the Agrarian Units and Forest Districts in carrying out the survey is not properly defined.
- It is currently impossible to reconcile the activity budget in Part II, Section 5 with the component budget in Part IV.

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- Considering the activities involved, the timing of the workplan is apparently over-ambitious, and
- The Logical Framework Matrix and Terms of Reference for key personnel are missing from the annex to the proposal.

Recommendations

Revision of the proposal should:

- Follow the ITTO format.
- Extend project duration to allow more time for survey design, training of the technical teams, and particularly survey execution.
- Describe the involvement of the Agrarian Units and Forest Districts, shown in the project organization chart.
- Consolidate Activities 1.1 and 1.3 (both appear to involve survey design).
- Involve the international consultant proposed to help train regional teams in the design of the survey.
- Renumber the two sets of activities numbered 2.1 through 2.3 to avoid confusion. These changes should be reflected in a new logical framework matrix and work plan which conform to the ITTO Manual for Project Formulation.
- Reformulate the budget to clarify the following:
 - the salary of the national coordinator
 - the number and salaries of regional coordinators
 - the number and salaries of support personnel, along with a justification for the request for \$50,000 and 100 months of support in activity 2.2.
 - the total number and budget for international experts and consultants.
- Include terms of reference for key personnel.
- Explicitly calculate and include the ITTO monitoring and evaluation costs and 5.5% programme support costs in the budget.

Conclusions

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

Assessment by the Committee

The Committee took note of further revisions to the project. The Committee recommended that the project be approved for immediate implementation.

6. PD 22/94 (M) Implementation of a Forest Statistical Information System

[cf. PPD 5/94 (M)]

The project proposes the establishment of an appropriate in-country system to adequately collect, process, analyze and disseminate statistical information on Peruvian forest resources, timber production and trade in a timely manner. The project was conceived after an analysis and evaluation of the current situation of INRENA's statistical services in this field during the ITTO's International Training Workshop on Tropical Forests and Timber Trade Statistics [PD 118/90 (M)] held in Cali, Colombia, in March 1993.

In order to achieve the aforementioned objective, the project plans to accomplish the following activities:

- Develop specific methodologies and guidelines for the collection, compilation, processing, analysis and dissemination of forest resources, timber production and trade data.
- Put in place an institutional infrastructure, which will consist of one centralized statistical processing office and five regional offices, each staffed with specialized professionals and equipped with an appropriate network of electronic data processing units, and train key personnel in the application of the above mentioned methodologies and guidelines.

It is envisaged that, by the end of the 3-year project, an efficient forest resource and timber trade statistical unit will be in place providing accurate and timely information needed for the formulation of national forest policies and strategies and for assessing progress toward sustainable forest management and market transparency. The unit will be equipped to respond to the information needs of national and international organizations.

The project is consistent with the priorities established in the ITTO Action Plan in the field of Economic Information and Market Intelligence, with specific relevance to Programme Areas 1 (Information Collection, Analysis and Dissemination) and 2, (Technical Assistance in Establishment and Improvement of Statistical Services). The project also meets Objectives (a), (b), (d), (f), (g) and (h) of Article 1 of the ITTA 1983.

Comments of the Expert Panel

The Panel noted the importance of the project to improved forest statistics in Peru. It acknowledged that the project format followed the ITTO format for the most part, and that the objectives were clearly stated and relevant to ITTO's objectives and priorities. However, the Panel felt that the proposal itself was not fully thought through and needed reformulation to address the requirements for data collection and processing.

The Panel noted that the present proposal did not cover the extent the ITTO would be involved in the consultation process or the kind of support the Universidad Nacional Agraria La Molina would provide. No specific explanation had been given as to the inputs into the system and how the outputs would be utilized nor how the proposed new system would be developed from the present system. The Panel also questioned how the proposed new system would be sustained after project completion. Queries were raised on why the salaries for key personnel at both the headquarters and regional offices are slated to be covered under the ITTO budget. The Panel suggested that it would be preferable for the government of Peru to assume this responsibility as part of their counterpart contribution to the project and that the personnel be retained after project completion.

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Recommendations

The Panel recommended that, with the assistance of a consultant, a pre-project be formulated to analyze the current forestry statistical data compilation, processing and dissemination system and to develop a project proposal following the ITTO format as an initial step in the creation of a sustainable forestry statistical service in Peru.

Conclusions

The Panel concluded that a pre-project incorporating the aforementioned recommendations be formulated for the consideration of the Permanent Committee of Economic Information and Market Intelligence.

7. PD 24/94 Rev.1 (M) Blueprint for Adapting the Foreign Trade Registration System at the ITTO National Level

This six-month project proposes to establish a blueprint for ITTO members to use the recently revised Harmonized System (HS) of customs classification to achieve more consistency and reliability in statistical reporting of timber trade. The revised HS will come into effect from the beginning of 1996, at which time member countries can also introduce country-level adjustments to the System. The project will, in liaison with the Customs Cooperation Council (CCC), ITTO, other relevant organizations and members, provide a framework within which such adjustments can be made. The adoption of this framework will promote consistency in the foreign trade statistics of those ITTO members (currently 31) using the HS of customs classification. The project's specific objective is to design a blueprint for adapting existing registration systems employed in the foreign trade of tropical timber, where such trade is conducted under the HS in ITTO member countries.

The project is relevant to all five of the Programme Areas of the Work Program in the field of Economic Information and Market Intelligence contained in the ITTO Action Plan. The project also meets Objective (d) of Article 1 of the ITTA 1983.

Comments and Recommendations of the Expert Panel

The Panel noted the value of the project to improved forest trade statistics. It was felt that there may be a need for ITTO assistance in promoting the Harmonised System (HS) in all member countries, or at least ensuring that local systems of customs classification are consistent with the HS. It is important to inform all ITTO members of the benefits of adopting the HS. Detailed information about the Customs Cooperation Council and its HS should be given in the project proposal; and in particular the ITTO member countries which currently use the system should be listed.

The Panel felt that the budget for the project needed to be separated into ITTO and SBH components. The cost of the SBH expert was considered somewhat high and should be reduced. The Panel recommended that the final report be translated into French and Spanish and that some of the savings made in the cost of the expert be applied to this activity.

Finally, the Panel requested that more details of the relevant expertise of the proposed executing agency be included in the proposal.

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Conclusions

While these minor amendments were considered desirable, the Panel concluded that the project should be recommended to the Permanent Committee for final appraisal and approval.

Assessment by the Committee

The Committee noted that work should proceed promptly on this project because of the pending implementation of the revised Harmonized System of the Customs Classification Council. The Committee requested the executing agency to extend the coverage of the study to all timber species. The representative of the executing agency confirmed that this was the intent of the project for practical reasons. The Committee further requested the executing agency to disseminate its findings in time to allow for full discussions on the results of this project to take place at the next session of the Permanent Committee. With the foregoing considerations, the Committee recommended that the project be approved for immediate implementation.

8. PD 25/94 Rev.1(M) Continuity of Timber Production and the Assessment of Conservation Status

This two-year project arose from the workshop on 'Methodologies for Assessment of the Commercial and Biological Conservation Status of Tropical Timber Trees' held in Cambridge (UK) in March 1993. This workshop was held to discuss the best avenues for improving and expanding the Tropical Timber Conservation database originally developed by the World Conservation Monitoring Center under an ITTO pre-project. The workshop recommended that future work in this area should be country specific and called on member countries to participate in the development of conservation status databases. Malaysia is the first country to do so through this project proposal. The project proposes to develop a methodology to compare pre- and post-harvest inventory data in order to evaluate logging impacts on species composition. Data for each state and for Malaysia as a whole will be collected and analyzed, allowing conclusions to be drawn as to whether any given species are regenerating successfully following harvesting. Such information could prove useful in both national and international fora (e.g. CITES).

Software will be developed to compare the inventory data, which are already being collected in most of Malaysia. The results of the Malaysian study will be compared with other studies in the region and in the literature as a whole. The applicability of this approach to other member countries will also be assessed.

The project meets the objectives outlined under Programme Areas 1 (Information Collection, Analysis and Dissemination) and 2 (Technical Assistance in Establishment and Improvement of Statistical Services) of the Work Program in the field of Economic Information and Market Intelligence contained in the ITTO Action Plan. The project also meets Objectives (a), (c) and (h) of Article 1 of the ITTA 1983.

Comments and Recommendations of Expert Panel

The Panel questioned whether the project would assess biodiversity as it is commonly defined using the proposed methodology (comparison of pre- and post-harvest inventory data). It felt that a clear definition of the type of biodiversity assessment to be carried out was essential. It was suggested that the harvest method(s) to be employed be specified in the proposal. Furthermore the project should investigate and make use of research carried out by ITTO and others in this field.

The Panel drew attention to certain lapses in the project presentation. They noted that Part 1, B of the proposal (Relevance to National Policies) is missing, and that the specific objectives given in section 2.2 are not as clearly set out as in the logical framework matrix. Whereas section 2.2 states that a "National picture" will be built up, the output of the proposal refers only to Peninsular Malaysia.

There are discrepancies in the budget estimates in respect of personnel and capital items. Appropriate provisions should be made for ITTO monitoring and evaluation, and the 5.5% ITTO programme support costs.

Finally, the Panel recommended that budgetary allowance (either from ITTO or in kind) should be made for software purchase/development and that details of such software be given in the proposal.

Conclusions

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

Assessment by the Committee

The Governments of Malaysia and the United Kingdom reported that they would submit a revised proposal taking into account the comments of the Expert Panel at the next session of the Permanent Committee.

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

This project proposes the establishment of a national forestry statistical information system under the initial tutelage of INDERENA and eventually of the recently created Ministry for the Environment. The system will be set up to gather, process, store, disseminate and access all information related to the forest sector which in turn will serve as a basis for forest policy development and decision-making.

The project's specific objectives are:

- To develop standardized statistical methods for the collection, compilation, processing and analysis of information related to this sector.
- To create a centralized database to process information on reforestation, forest management, deforestation, forest harvesting, timber industries and processing, and domestic and international markets for national forest resources and products.
- To implement a network of national coverage consisting of the National Statistics Department (DANE), the National Tax and Customs Directorate (DIAN), all Regional Autonomous Corporations and INDERENA's regional offices to source all relevant raw and semi-processed data.
- to train key personnel belonging to the aforementioned network so as to improve the content, accuracy, collection, processing, transmission and dissemination of forest data and statistics.

It is envisaged that, by the end of the three-year project, an efficient national forestry statistical information system will be in place, providing accurate and timely information on all relevant aspects of the Colombian forest sector.

This project is the direct result of the recommendations made during the Second International Training Workshop on Tropical Forests and Timber Trade Statistics [PD 118/90 (M)] held in Cali, Colombia, in March 1993.

The project is consistent with the priorities established in the ITTO Action Plan in the field of Economic Information and Market Intelligence, with specific relevance to Programme Areas 1 (Information Collection, Analysis and Dissemination) and 2, (Technical Assistance in Establishment and Improvement of Statistical Services). The project also meets Objectives (a), (b), (d), (f), (g) and (h) of Article 1 of the ITTA 1983.

Comments of the Expert Panel

The Panel noted the value of the project to improved forest statistics in Colombia. It noted that the project presentation followed the ITTO format for the most part, and that the objectives were clearly specified and relevant to ITTO's priorities.

The Panel felt that the references to the Colombian Forestry Action Plan and ITTO Project PD 118/90 (M) should be included in the section on the origin of the project. It requested more details on training requirements and the current availability of trained national personnel. No terms of reference for the key personnel were included in the proposal, thus leading to some confusion due to the different amounts to be paid to the national experts to be retained using ITTO funds and those to be hired from INDERENA's contribution. Concern was expressed by several Panel members that the system developed under such a project would be sustainable. This would require on-going commitment from the government and implementing agency.

The Panel noted that there was no budgetary allowance for statistical dissemination or database design and recommended inclusion of these activities. Activity 1.2.6 in the budget is not previously described in the proposal, and activity 1.4.2 is missing from the budget. A more detailed budget should be prepared, showing the specific elements of aggregate lines (e.g. capital items), and a breakdown for each year of the project duration. The 5.5% ITTO programme support costs should be explicitly calculated and included in the budget.

The Project Logical Framework Matrix and the Project Organizational Chart were missing from the annex to the proposal. The proposed distribution of the computer hardware to be purchased amongst participating agencies should also be specified.

The Panel noted that there were many activities scheduled for the first year of project implementation, and relatively few in the final year. A more evenly distributed workplan should be considered, or else the project duration shortened accordingly. The implementing agency should liaise with the ITTO Secretariat to ensure that the project facilitates the international exchange of information, and benefits from related on-going work in other ITTO member countries.

Finally, the Panel noted that there were significant changes underway in Colombia's government agencies responsible for forestry, the most significant being the creation of a new Ministry of Environment. The impact of these changes on the project, in so far as it can be assessed, should be described in the proposal.

Recommendations

Revision of the proposal should:

- Make reference to Colombian Forestry Action Plan and PD 118/90 (M) in the section entitled "Project Origins".
- Provide more details on training requirements and existing human resources.
- Provide terms of reference for key staff.
- Reformulate the budget to include and/or clarify the following:
 - allocation for dissemination, database design, activity 1.4.2
 - description of activity 1.2.6
- breakdown of aggregate lines, annual breakdown
- allocation of 5.5% ITTO's programme support costs
- The Logical Framework Matrix and the Project Organizational Chart.
- Provision of a more evenly distributed workplan or else a reduced project duration.

Conclusions

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 recommended that the project be approved for immediate implementation.

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

The project is a feasibility study for the establishment of a Wood Products Marketing Organization. The specific objectives are to assess the conceptual, institutional, technical and financial feasibility of establishing an industry supported Association. The marketing Association will include both timber harvesting and wood processing enterprises and would facilitate the penetration of Papua New Guinea's wood products into foreign markets and address domestic infrastructure requirements.

The main objectives of this Wood Products Marketing Organization would be to:

- Identify and quantify export markets;
- Gain access to foreign markets and secure orders;
- Deliver orders to members based on their production capabilities;
- Coordinate delivery from members to a central yard;
- Manage a central facility for storing, processing, grading, sorting and bundling wood products;
- Provide coastal shipping services for both members' products and supplies;
- Inspect members' products for compliance with market standards; and
- Promote members' current and potential products.

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The major outputs of the proposed project are:

- A market analysis identifying both supply and demand and price trends of PNG's forest products locally and internationally and the markets' potential opportunities and constraints;
- An assessment of the feasibility of establishing a Wood Products Marketing Organization and development of its potential corporate structure;
- An evaluation of the potential sites, the infrastructure and equipment requirements for the central sorting and processing facility and any other additional facilities that may be deemed necessary.

The project meets the objectives outlined under Programme Areas 1 (Information Collection, Analysis and Dissemination) and 4 (Situation, Trends and Prospect Studies) of the Work Program in the field of Economic Information and Market Intelligence contained in the ITTO Action Plan. The project also meets the Objectives (b), (d), (e) and (g) of Article 1 of the ITTA 1993.

Comments of the Expert Panel

The project calls for an umbrella organization for marketing, industry support, product utilization and value added processing. The project supports the objectives of the Government of PNG's forest sector policy. It is clear that the proposal follows from an ITTO project [PD 108/90 (I)]. The Panel noted that the PNG National Forestry Development Guidelines resulting from this project will be implemented this month; these might usefully be reflected in a revised project proposal.

The Panel recognized that the proposed national marketing organization is important in terms of the Guidelines. Furthermore, the proposal will potentially assist in fostering enhanced environmental values through improved forest management, sustainable production and marketing. The project has the potential to strengthen national capabilities and institution building.

Recommendations

Revision of the proposal should:

- Follow the ITTO format.
- Draw upon the experience, outputs and findings of Project PD 108/90 (I).
- Reflect the PNG National Forestry Development Guidelines.
- Stress cooperative ventures and increased local participation.
- Stress support for small and medium scale industries.
- Reflect outputs which will enhance environmental values.
- Provide clear terms of reference for consultants and other project personnel.
- Revise the budget to justify the allocation for site pre-identification and to include the appropriate allocation for ITTO programme support costs.

Conclusions

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.

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Assessment by the Committee

The Committee took note of further revisions to this project. The budget has consequently been reduced to a total of US\$509,340, of which the ITTO contribution is US\$409,340. The Committee recommended that the project be approved for immediate implementation.

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	GEOGRAPHI C COVERAGE	RECOMMENDATION (*)
		Art.23 Para.2	Art.23 Para.5	Art.23 Para.6				
PPD 1/94 (M)	a,b,d,g				40,368	12 months	Africa	2
PPD 4/94 Rev.1 (M,F,I)	a				64,090	6 months	Global	4
PPD 5/94 (M)	a,b,d,f,g,h				48,003	1 month	Peru	4
PD 5/94 Rev.3 (M)	b,d,f,g,h				242,650	24 months	Ghana	4
PD 19/94 Rev.2 (M,I)	a,b,c,d,e,g,h				579,037	18 months	Peru	4
PD 24/94 Rev.1 (M)	d				65,094	6 months	Global	4
PD 25/94 (M)	a,c,h				83,325	24 months	Malaysia	2
PD 34/94 Rev.1 (M)	a,b,d,f,g,h				839,158	36 months	Colombia	4
PD 35/94 Rev.4 (M,I)	b,d,e,g				409,340	12 months	Papua New Guinea	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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FOURTEENTH SESSION
16 - 23 May 1994
Cartagena de Indias, Colombia

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

16 - 23 MAY 1994

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Report

Appendix I Technical Assessment of Project Proposals

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1. **Introduction**

The Fourteenth Session of the Committee was opened, on 16 May 1994 by the Chairman of the Permanent Committee on Reforestation and Forest Management, Dato' Ismail Awang (Malaysia). The list of Participants is reproduced in Document ITTC(XVI)/Info.2 Rev.1.

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

At the first meeting on 16 May 1994, the Committee formally adopted the Agenda of its Fourteenth Session as contained in Document PCF(XIV)/1.

3. **Admission of Observers**

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

4. **Report on Completed Projects**

The Committee noted the report on completed projects contained in Document PCF(XIV)/3 and considered the projects listed below as completed:

- (1) PD 53/89 Rev.1 (F) **Preparation of A Master Land-Use Plan for Forest Areas, Cameroon**

The Committee took note that the Final Report was submitted by ONADEF, and circulated as PCF(XIV)/13. The final report was accepted and the Committee will consider the project as completed upon the Secretariat's receipt of the audited financial report.

- (2) PD 170/91 Rev.1 (F) **Modernization and Development of Egyptian Forest Nurseries**

The Committee took note that the Final Report was submitted by the Undersecretary for Afforestation, and circulated as PCF(XIV)/12. The Committee also noted that the audited financial report had been received by the Secretariat, and therefore considered the project as completed.

- (3) PD 10/93 Rev.1(M,F,I) **Seminar and Study Tour on Sustainable Forestry Management System Practiced in Natural Forests of Japan**

The Committee noted that the Final Report had been completed and the English version of the report was circulated as PCF(XIV)/9 while the summary of the report in French and Spanish were available as PCF(XIV)/9a. The Committee, therefore, considered the project as completed.

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

The Committee noted the report on completed pre-projects contained in Document PCF(XIV)/4 and considered the following pre-projects as completed:

Sustainable Multiple Use (\$276,958)

The Secretariat informed the Committee that the Final Report had been submitted by the Sarawak State Forestry Department, and circulated as PCF(XIV)/10. The Implementing Agency is now initiating an audit of the financial report. The Committee recalled that on the basis of this pre-project that a new project proposal, PD 23/93 Rev.1 (F) "Sustainable Multiple-Use of Hill Forests in Sarawak, Malaysia" was developed and submitted

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PD 23/93 Rev.1 (F) "Sustainable Multiple-Use of Hill Forests in Sarawak, Malaysia" was developed and submitted to ITTO. The representative from the Delegation of Malaysia informed the Committee that this pre-project examined the multiple-use concept of forest in Sarawak and engaged a consultant to assist in the formulation of the project proposal. The consultant concluded that the approach on the multiple-use concept should deal with better land-use planning, developing agroforestry options, changing methods in forest management to produce timber of smaller size trees on State Land forests and not in the Permanent Forest Estate. The representative of Malaysia explained that the proposal was first reviewed by the Sixth Expert Panel who developed a series of comments and recommendations. The Sarawak State Forestry Department took a year to address the Panel's concerns and revised the proposal. Subsequently, the Seventh Expert Panel developed another set of recommendations. The representative from Malaysia felt that the revised proposal had adequately addressed the Sixth Panel's comments and was concerned that the Seventh Panel had requested further changes. Therefore, the Government of Malaysia did not resubmit another revised proposal but instead withdrew it and informed the Committee that the European Commission had expressed an interest in the project.

6. Review of Activities in Progress

The Committee has, at various Sessions, decided to undertake a number of Activities and noted a brief report on Activities in progress which is contained in document PCF(XIV)/5.

1) *The Economic Case for Natural Forest Management*

The Committee was informed that the study has been completed and a draft report was prepared by the Implementing Agency. The representative of Malaysia explained that the report highlights the relative importance of the forestry sector in overall economic development of the participant countries especially in terms of generating revenues and employment opportunities. The report also highlights the impact of logging on the values of timber, non-timber, water, and soil resources as well as carbon sequestration through diverse scenarios. Since the report was only recently completed, it was not possible to produce a sufficient number of copies for all delegations. Therefore, the Committee agreed to review the final report during its Fifteenth Session in Yokohama in November 1994.

2) *Working Group on Guidelines for Management of Tropical Forest Plantations*

The Secretariat informed the Committee that the Spanish version of the Plantation Guidelines has now been published and a limited number of copies were available during the Council Session. Additional copies can be requested from the Secretariat in Yokohama. With the publication of the Spanish version of the Plantation Guidelines, this activity can be considered as complete.

7. Review of Project Work in Progress

The Committee took note of a status report (document PCF(XIV)/6) by the Secretariat on the seventy-nine Projects, in the field of Reforestation and Forest Management, which have been approved by the Council, and A) are in the process of implementation, B) are awaiting the signing of an Agreement, or C) have not yet received full financial allocation, and D) projects coming under the sunset provisions since last Session.

A) *Projects under implementation*

- 1) PD 10/87 (F) Forest Management of Natural Forests in Malaysia
- 2) PD 15/87 (F) The Biology of the Okoume (Aucoumea klaineana Pierre) in Gabon
- 3) PD 34/88(F) Conservation, Management, Utilization and Integrated and Sustained Use of the Forests in the Chimanes Region, Beni Department, Bolivia
- 4) 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
- 5) PD 68/89 Rev.1 (F) Management of Tapaj s National Forest for Sustainable Production of Industrial Timber
- 6) PD 69/89 Rev.1 (F) Workshop on Sustained Tropical Forest Management with Special Reference to the Atlantic Forest
- 7) PD 74/90 (F,I) Better Utilization of Tropical Timber Resources in Order to Improve Sustainability and Reduce Negative Ecological Impacts
- 8) PD 75/90 (F) Development of Genetic Resistance in the Tropical Hardwood Iroko to the Damaging Insect Pest: *Phytolyma lata*
- 9) PD 77/90 (F) Establishment of A Pilot Area for Silviculture in Closed Forests in Congo
- 10) 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)]
- 11) PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase I)
- 12) PD 88/90 Rev.1 (F) Sustainable Selective Harvesting of Mahogany in Bolivia
- 13) PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia (Phase I)
- 14) PD 95/90 (F) Forest Management in the Alexander von Humboldt National Forest, Phase I, II, III
- 15) PD 99/90 Rev. 1 (F) Establishment of Rio Preto National Forest
- 16) PD 103/90 Rev. 1 (F) Training and Manpower Development in Community Forestry Management
- 17) PD 104/90 Rev. 2 (F) Studies of the Management Standards of Hill Dipterocarp Forest in Sarawak from a Watershed Management Point of View
- 18) PD 105/90 Rev. 1 (F) Model Forest Management Areas

Protected Area, Phase I

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- 20) PD 114/90 (F) Workshop on Conservation and Sustainable Utilization of Mangrove Forests in the Latin American Regions
- 21) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forests
- 22) PD 119/91 Rev.1 (F) Workshop on Women and Forestry - A Look at African Experiences
- 23) PD 120/91 Rev.4 (F,I) Development of Operational Model for Sustainable Management of Natural Tropical Forests
- 24) PD 128/91 Rev.1 (F) Management, Conservation and Development of Mangrove Forests in Panama
- 25) PD 130/91 Rev.2 Plantation Establishment Methods (First Phase)
- 26) PD 131/91 Rev.2 (F) Pilot Project for the Sustained Management of the So'olala Forest
- 27) PD 132/91 Rev.1 (F) Training Forestry Workers in Carrying Out Certain Tasks Related to Forestry
- 28) PD 138/91 Rev.2 (F) Program for Sustainable Forest Management in the Ecuador Forest Institute
- 29) PD 148/91 Rev.3 (M,F,I) Seminar on Economic Case for Sustainable Tropical Forest Management
- 30) PD 156/91 Rev.2 (F) Establishment of Two Model Forest Nurseries and Forest Management Project
- 31) PD 157/91 Rev.2 (F) Establishment of an International Network for the Conservation and Sustainable Utilization of Mangrove Genetic Resources
- 32) PD 162/91 Rev.1 (F) Intensification of Growth and Yield Studies in Previously Logged Forests
- 33) PD 172/91 Rev.2 (F) The Recovery of Natural Systems of the Hillsides of Caqueta (Phase I)
- 34) PD 176/91 Rev.1 (F) Sustained Management for Production, Conservation, Demonstration, Diffusion and promotion Activities In Moist Tropical Forests in Ecuador's Northwest
- 35) PD 184/91 Rev.1 (F) Multipurpose Tree Planting in Egypt
- 36) PD 185/91 Rev.1 (F) Sustainable Forest Management and Development in Peninsular Malaysia
- 37) PD 186/91 Rev.2 (F) Tree Flora of Sabah and Sarawak

- 38) PD 188/91 Rev.1 (F) Reforestation of Rioja
- 39) PD 189/91 Rev.1 (M,F,I) Publication of an Andean Forestry Journal
- 40) PD 202/91 Rev.1 (F) Sustainable Forest Management Through Collaborative Efforts
- 41) 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)
- 42) PD 9/92 Rev.1 (F) Forest Management in Islas de la Bahia, Honduras, Central America
- 43) 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
- 44) PD 11/92 Rev.1 (F) Development and Dissemination of Re-afforestation Techniques of Mangrove Forests
- 45) PD 14/92 Rev.1 (F) A Demonstration Program of Sustainable Utilization of Tropical Forests by Means of Differentiated Management in Hainan Island, China (Phase I)
- 46) PD 26/92 Rev.2 (F,I) Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon
- 47) PD 39/92 Rev.1 (F) Dissemination and Training on ITTO Guidelines and Criteria
- 48) PD 42/92 Rev.1 (F) Reforestation and Sustainable Management and Utilization in the Natural Cloud Forests of Jaen-San Ignacio
- 49) PD 5/93 Rev.1 (F) Ten-Year Production of Treated Residual Dipterocarps Forest Stands.
- 50) PD 6/93 Rev.2 (F) Manual and World Natural Mangrove Atlas for Mangrove Ecosystem Restoration
- 51) PD 20/93 Rev.1 (F) Development of National Guidelines for the Sustainable Management of Natural Tropical Forests in Cameroon
- 52) PD 24/93 Rev.1 (F) Forest Management of Natural Forest in Malaysia - Phase II
- 53) PD 25/93 Rev.1 (F) Evaluation of Progress Made by Ecuador Towards Achievement of ITTO Target 2000
- 54) 32/93 Rev.2 (F) Rehabilitation of Logged-over Forests in Asia/Pacific Region (Sub-Project III)

B) Projects awaiting implementation agreement

- 1) PD 171/91 Rev.1 (F) Conservation and Management for Multiple Use and Development of Colombian Mangrove Swamps

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- 2) PD 11/93 Rev.1 (F) A Strategy for the Sustainable Management and Harvesting of Forest Resources and Strengthening of Indigenous Territories in the Colombian Amazon
 - 3) PD 26/92 Rev.1 (F,I) Development of Methods and Strategies for Sustained Management of Moist Tropical Forests in Cameroon
 - 4) PD 26/93 (F) Development of Bentuang Karimun Nature Reserve as National Park (Phase I)
- C) *Projects awaiting financing*
- 1) PD 8/92 Rev.2 (F) Study on the Growth of Native Species of Commercial Interest in Honduras
 - 2) PD 15/92 Rev.3 (F) Establishment of a Germ Plasm Bank and Pilot Reforestation Units
 - 3) PD 16/92 Rev.2 (F) Timber Logging in Rondonia - Phase I: Socio-Economic and Environmental Diagnosis
 - 4) PD 18/92 Rev.1 (F) Research-Development Associated with Management Operations in the Closed Forest of Côte d'Ivoire: Determination of a Forest Typology Related to Silvicultural Systems
 - 5) PD 32/92 Rev.1 (F) Agroforestry Systems for the Communities of Nova California and Extrema, Rondonia, Brazil
 - 6) PD 37/92 Rev.1 (F) Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest
 - 7) PD 38/92 Rev.2 (F) The Establishment of Community Based Teak (*Tectona grandis*) Plantations on Degraded Forest Areas in the State of Kedah, Malaysia
 - 8) PD 43/92 Rev.1 (F) Strengthening of the Amazon Forest Development Center for the Sustainable Management of Tropical Forests
 - 9) PD 45/92 Rev.1 (F) Agroforestry Systems for the Communities of Medicilandia, Para, Brazil
 - 10) PD 47/92 Rev.1 (F) Project on Sustainable Forest Management, Production and Regulation in an Area of the Colombian Andes
 - 11) PD 48/92 Rev.2 (F) Biotechnological Development using Forest Species in the Zulia Basin, Municipality of Zulia, North Santander Department, Cimitarigua Community
 - 12) 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

- 13) PD 50/92 Rev.3 (F) Conservation and Integrated Development in the La Macarena Special Management Area
- 14) PD 2/93 Rev.1 (F) Integrated Pilot Management of the Ngoua II Fores North - Phase I: The Preparation of the Management Plan
- 15) PD 3/93 Rev.1 (F) Management and Conservation of the Forest of Bangou - Phase I: Developement of the Management Plan
- 16) PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guideline on the Protection of Tropical Forests Against Fire
- 17) PD 21/93 Rev.1 (F) Forest and Farmers: Sustainable Coexistence
- 18) PD 36/93 Rev.1 (F) Securing the Implementation of Improved and/or New Established Nurseries in Egypt
- 19) PD 37/93 Rev.1 (F) Silvicultural Management in the Forests of Bajo San Juan
- 20) PD 40/93 Rev.1 (F) Improvement of Data Collecting, Processing and Application Techniques for Sustainable Forest Management

D) Projects coming under the sunset provisions since last Session

- PD 174/91 Rev.2 (F) Rehabilitation of the Forest in the South Central Region of Côte d'Ivoire around the Tene Forest.

The Committee noted the reports on the progress of these projects in Document PCF (XIV)/6 and further discussed the substantive issues associated with a number of Projects in depth. Details of these discussions are as follows:

- 1) PD 10/87 (F) Forest Management of Natural Forests in Malaysia

The Secretariat informed the Committee that it had not yet received the Final Report nor the audited financial report from the Implementing Agency. The Malaysian Delegation stated that the Final and audited financial reports would be submitted by the end of the extension period in June 1994. Consequently, the Committee agreed to review the Final Report during its next session in Yokohama in November 1994.

- 2) PD 34/88 Rev. 1 (F,I) Conservation, Management, Utilization and Integrated and Sustained Use of the Forests in the Chimanes Region, Beni Department, Bolivia

The Committee recalled that this project had been extended from January through June 1994 while the proposal for the follow-on project, PD 33/93 "Conservation, Management, Harvesting, and Integrated and Sustained Use of Forests in the Chimanes Region, Beni, Bolivia" was pending review during its XIV Session. The Secretariat informed the Committee that the Government of Bolivia had developed and submitted the Final Report for the project's first phase. The financial report was being audited and would be submitted for the period through December 1993 in the near future. The Final Evaluation Report was distributed to the Committee as PCF(XIV)/16. The Committee noted that the evaluation had originally been planned in January but did not take place until April 1994. The delegates expressed their concern that the evaluation had not taken place as scheduled and therefore, did not have an opportunity to review the report before the meeting. The

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Committee felt that the recommendations from the final evaluation should be incorporated into the follow-on proposal. Therefore, a working group was formed with representation of the Delegations from Bolivia, France, Denmark, Switzerland, and the United States. The working group drafted an addendum to the proposal for the follow-on project, PD 33/93 which was subsequently accepted by the Committee.

3) PD 68/89 Rev.2 (F) Management of Tapajós National Forest for Sustainable Production of Industrial Timber

The Secretariat informed the Committee that the implementing agency, IBAMA, had met the conditions for the next disbursement as established by the Project Steering Committee in October 1993. IBAMA had resolved the problems for administering the financial resources and would be able to avoid losses from currency devaluation. IBAMA had also ensured the availability of project staff as outlined in the project document by elevating the status of its office in Santarém, thereby allowing greater flexibility in staff assignment. Finally, IBAMA had made up for the loss of money from the first disbursement by providing the resources to carry out a forest inventory on 1,000 ha within the project area. However, in this last point, some clarifications were required regarding the details of the financial report. The next disbursement would be made when the inquiries made by the Secretariat were resolved.

The Committee requested further information regarding steps that had been undertaken to resolve problems with communities within Tapajós National Forest. The Committee also asked whether IBAMA had succeeded in contracting a concessionaire to initiate harvesting operations. The Secretariat informed the Committee that with regard to the first point, a forestry project with community participation was being developed by the G-7 and would be financed through the World Bank. In reference to the second point, the Operation Plan had been developed with the timetable for soliciting bids for harvesting operations. The Consultative and Steering Committees had met in April to discuss this issue and the Secretariat was awaiting receipt of the minutes.

The Delegation from IBAMA informed the Committee that it would respond to the Secretariat's inquiries regarding the financial report in the near future.

4) PD 69/89 Rev.1 (F) Workshop on Sustained Tropical Forest Management with Special Reference to the Atlantic Forest

The Committee recalled that during its XII Session in Kuala Lumpur, it had extended this project with an additional budget of \$29,400 for translating the workshop proceedings to Spanish and French. The Committee further recalled that it had provided an additional six months for donors to pledge the funds required for translation. The implementing agency, IBAMA, explained the importance of this workshop to ITTO and requested the Committee to grant an additional six months to secure the financing required. The Committee agreed to a further six month extension with the hope that the funds will be obtained.

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

The Committee expressed concern over the delay in concluding this project, because some participating institutions have not yet submitted their final reports. It acknowledged the commitment of the Cameroonian delegation to provide the implementing agency with the final report developed by ONADEF/Cameroon before the end of August 1994.

The Committee also considered the report of the independent consultants, hired to review preliminary reports developed as an outcome of project activities. The consultant's report was circulated as PCF (XIV)/14. The committee recognized that the consultant's report was based on only two of the preliminary project reports. The Committee therefore decided to defer a thorough discussion of the review report until the next Session,

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when the final project report would be available. The Committee decided to grant another extension of the project, until December 1994 to allow the implementing agency to compile the final report. To inform the Committee on the outcome of the project to the Committee during its Fifteenth Session in November 1994.

6) PD 77/90 (F) Establishment of A Pilot Area for Silviculture in Closed Forests in Congo

The Committee expressed its concern that project's funds are still being kept by the Banque Commerciale Congolaise. It acknowledged the declaration made by the Congolese Delegation to do all within its power to resolve this problem.

7) 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 was informed by the Secretariat that field activities had been completed and the Final Report had just been concluded. The Committee recalled that it had approved an extension of this project until July 1994. The Committee noted that the final report will be circulated during its XV Session in Yokohama in November 1994. The Delegation of Indonesia advised the Committee that the financial report is now under review by the independent auditor.

8) PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase I)

The Committee noted that this project, which concerns the publication of ITTO's newsletter, *Update*, had been extended until December 1994, with funding secured through June 1994. This extension had been granted while preparations were underway in PD 17/93 (M,F,I) "ITTO Network for Information Sharing and Project Support" to take over the publication and distribution of the newsletter. The newsletter editor informed the Committee that the Permanent Committee on Forest Industries had satisfactorily concluded its discussions on PD 17/93 and felt that no further funding was required for PD 86/90. The Committee took note that this project will be concluded as of 30 June 1994, and the responsibilities for publishing the newsletter will be passed on to the Permanent Committee on Forest Industries as of 1 July 1994.

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

The Secretariat informed the Committee on the progress of the three components in the project, and explained that the two components pertaining to research and nature conservation were having certain difficulties of technical nature. In view of this situation, the Secretariat suggested that a project review be carried out. The Delegation of Indonesia stressed that the project review should be carried out in line with the ITTO Manual for Project Monitoring and Evaluation. The review should also be carried out in accordance to the terms stipulated in the project agreement signed between the Indonesian Ministry of Forestry and the ITTO in Jakarta in 1991.

10) PD 97/90 Rev 1. (F) Multi Stage Survey of Tapajòs National Forest

The Committee recalled that this project had been completed during its XIII Session in Yokohama in November 1993. The Secretariat announced that copies of the English version of the Final Report were being made available during the Council Session and the French and Spanish versions were available from the Secretariat or FUNATURA.

11) PD 106/90 Rev.1 (F) Development of the Lanjak-Entimau Wildlife Sanctuary as a Totally Protected Area, Phase I

The Secretariat informed the Permanent Committee that a project Steering Committee meeting was held in Kuching on 9 February 1994. The implementing agency requested an amendment of the work plan to allow a joint program with PD 26/93 Rev.1 (F) on the Indonesian side. In addition, the Steering Committee endorsed a consultancy to integrate the report of various experts involved in the preparation of the Master Plan. The Committee agreed to grant an extension of the project to July 1995 without additional cost to allow these activities to be completed.

12) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forests

The Secretariat informed the Committee that since this project was initiated in November 1991, a Steering Committee had not yet been established. The Delegation of Malaysia explained that action had now been taken to establish the Project Steering Committee.

13) PD 120/91 Rev.4 (F,I) Development of Operational Model for Sustainable Management of Natural Tropical Forests

The Secretariat informed the Committee that the implementing agency had not submitted its progress report on time for this session. However, the report had just been received by the Secretariat who did not have the opportunity to analyze it and inform the Committee on progress in project implementation.

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

The Committee noted that the project had supported the drafting and approval of regulations governing the use of mangrove resources. The delegation from Panama informed the Committee that considerable progress had been made in overcoming the initial difficulties in project administration, and all project personnel were now in place.

15) PD 130/91 Rev.2 Plantation Establishment Methods (First Phase)

The Secretariat updated the Committee on the result of the planning workshop held in the Philippines in April 1994. The Delegation of the Philippines provided additional details on the progress resulting from the workshop initiative.

16) PD 132/91 Rev.1 (F) Training Forestry Workers in Carrying Out Certain Tasks Related to Forestry

The Committee noted that the project was due for completion in January 1994. It granted an extension of the project until December 1994 to allow the completion of project activities and the submission of final reports.

17) PD 138/91 Rev.2 (F) Program for Sustainable Forest Management in the Ecuador Forest Institute

The Committee recalled that this project had been extended until June 1994 in order to utilize the remaining funds to carry out workshops to disseminate project results. The Delegation of Ecuador informed the Committee that the project would be completed in June 1994. The auditors had been contracted, and the audited financial report would be presented to the Secretariat in the near future.

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

The Secretariat informed the Committee that the final evaluation had been undertaken in January 1994 and the evaluation report was being circulated as PCF(XIV)/15. The Committee noted that the project had made significant headway on making one of the nurseries self-financing. The Delegation of Ecuador announced that the problems related to the sustainability of the second nursery, which was mainly due to space limitations, had been resolved. Therefore, an extension of the project, until October 1994, was requested to complete the work to make the second nursery self-financing. The Committee took note of the satisfactory work done by the implementing agency and granted a no-cost extension until October 1994.

19) PD 157/91 Rev.2 (F) Establishment of an International Network for the Conservation and Sustainable Utilization of Mangrove Genetic Resources

The Committee recalled that this project had been extended during its XIII Session in Yokohama until 31 March 1994 to allow the documentation for this project to be completed and submitted. The implementing agency had notified the Secretariat that the report was being developed however, the Final Report had not yet been received. The Secretariat noted that many of the elements of the final report were included in the Annex of the follow-on proposal, PD 26/91 Rev.1 (F) "Conservation and Sustainable Management of Mangrove Forest Genetic Resources Phase II: Establishment of Four Conservation Centers, Human Resources Development and Preparation of Guidelines for the Sustainable management of Tropical Tidal Forests" and believed that the report should therefore, be nearly complete. The Committee decided to grant an extension of this project until July 1994 to allow the implementing agency time to submit the final report, which would be reviewed at its next session in November 1994.

20) PD 162/91 Rev.1 (F) Intensification of Growth and Yield Studies in Previously Logged Forests

The Committee expressed its concern over the lack of information found in the Progress Report on this project and requested the Secretariat to monitor this project more closely. It also acknowledged the explanation given by the Delegation of Papua New Guinea clarifying the causes of delay in project implementation. The Committee expressed its appreciation of the Government's commitment to provide the ITTO Secretariat with a more comprehensive update before the joint project progress review is undertaken in June 1994.

21) PD 188/91 Rev.1 (F) Reforestation of Rioja

The Committee noted that a mid-term project review was undertaken by the ITTO Secretariat from 30 November to 2 December 1993. This review found the project to be behind schedule in producing seedlings and establishing plantations. The Delegation of Peru informed the Committee that significant advance has been made to achieve targeted outputs with about 85% of the project's outputs being achieved.

The Committee noted that this project is due to be completed on schedule in September 1994 and that the implementing agency had developed a follow on project proposal, PD 18/94 Rev.1 (F) - "Participatory Forest Development in the Alto Mayo Region for the Sustainable Management of Moist Tropical Forests".

22) PD 189/91 Rev.1 (M,F,I) Publication of an Andean Forestry Journal

The Committee noted that with ITTO support this project had published six issues of the Andean Forestry Journal *Bosques y Desarrollo*. With the completion of activities in April, the implementing agency has submitted a proposal for a follow-on project, PD 28/94 Rev.1 (F) - "Continuation of the Publication of the Journal *Bosques y Desarrollo* and Organization of a Communication and Information Service".

The Committee was concerned with the sustainability of the Journal and requested specific information on steps taken to achieve self-financing. The Delegation of Peru responded that the project had strengthened information sharing in forestry between the six participating Andean countries. The objective of the Journal was to not only be self-sustaining but also to obtain a broad based support form readers and users. The Delegation of Peru further clarified that concrete steps had been taken to obtain funds through subscriptions and announcements. Delegates from several Andean countries expressed their support for the current project and were hopeful that the follow-on project would be approved.

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

The Secretariat informed the Committee that the agreement securing the complete funding of the project from the Government of the Netherlands had been signed, and project activities would be initiated in the near future.

24) 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

The Committee was informed that the first output of the project, a handbook entitled *Timber Trees: Major Commercial Timbers* Vol 5(1) was published, with one copy distributed to each delegation.

25) PD 14/92 Rev.1 (F) A Demonstration Program of Sustainable Utilization of Tropical Forests by Means of Differentiated Management in Hainan Island, China (Phase I)

The Secretariat updated the Committee on recent progress in project implementation. The Delegation of the People's Republic of China provided additional details on the project and expressed gratitude for the support given by the donor country and ITTO Secretariat.

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

The Delegation of Ecuador requested a change in project personnel which should be considered by the Committee. Originally, there was an international expert assigned as Project Coordinator for US\$ 120,000 over a 24 month period. The implementing agency, INEFAN, requested the Committee's approval to utilize the services of a National Coordinator for the 24 months period and a Principal Technical Consultant for 16 months as well as some minor adjustments on the use of other consultants. The Committee approved of this request, and asked the implementing agency to submit a revised budget to the Secretariat which would be appended to the approved Project Document. The Committee also made it known that it wished to discourage this type of procedure in the future.

- 27) PD 26/92 Rev.2 (F,I) Development of Bentuang Karimun Nature Reserve as National Park (Phase I)

The Committee took note on the intervention made by the Swiss Delegation stating that the budget portion committed by Switzerland for this project has been fully secured.

The Committee noted the status of the following project which was awaiting financing and needed attention:

- 1) PD 18/92 Rev.1 (F) Research-Development Associated with Management Operations in the Closed Forest of Côte d'Ivoire: Determination of a Forest Typology Related to Silvicultural Systems

The Committee acknowledged the appeal made by the Cote d'Ivoire Delegation to help secure the full financing of the project after Italy withdrew its pledge. The Committee was informed that this matter was discussed during the Bureau meeting and the ITTC Chairman is considering options to help solve the problem. The Committee requested the Council to remove the project from the list of sunset projects to facilitate the resolution of this issue.

8. Review of Pre-project Work in Progress

One pre-project has been approved by the Committee and is under implementation. The Committee took note of a status report by the Secretariat contained in document PCF(XIV)/7.

- (1) PPD 8/93 (F) Demonstration Areas for Sustainable Management of Production Forests (\$110,000)

The Secretariat called to the attention of the Committee that only ten responses had been received, with eight producer countries nominating potential demonstration areas. The Secretariat advised the Committee that an analysis of these areas was currently underway and the Secretariat would inform it on the outcome of this analysis during its XV Session in Yokohama in November 1994. The Committee encouraged member countries that had not yet responded to nominate demonstration areas and respond to the questionnaire sent out by the Secretariat.

9. Consideration of Project Proposals

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

Project List

Project Number	Country	Project Title
PD 33/92 Rev.2 (F)	CAMEROON	The Establishment of a Demonstration Area for Sustainable Use in the Wood Resource Base of the Forest Enterprise
PD 22/93 Rev.1 (F)	CAMEROON	Tropical Moist Forest Protection, Rehabilitation, and Management with Local Community Participation in Si-kop, Coastal Province, Cameroon
PD 33/93 Rev. 1 (F)	BOLIVIA	Conservation, Management, harvesting, and Integrated and Sustained Use of Forests in the Chimanes Region, Beni, Bolivia
PD 35/93 Rev.4 (F)		Forestry Management, Community Development and Sustained Use of Forests on the Punta Patino Nature Reserve, Darien Region, Republic of Panama
PD 1/94 (F)	THAILAND	Buffer Zone Management for the Development and Conservation of Tropical Forest Resources
PD 2/94 (F)	PERU	Integrated Rural Development in Jenaro Herrera
PD 3/94 (F)	PERU	Natural Forest Management and Integrated Use by Ashaninka Native Communities
PD 4/94 Rev. 1 (F)	P.N.G.	East New Britain Balsa Afforestation Project
PD 8/94 Rev. 1(F)	GHANA	Evergreen Club of Ghana/ITTO Youth in Forestry Project
PD 9/94 (F)	PERU	Integrated Utilization and Management of Natural "Algarrobo" Forests
PD 10/94 (F)	PERU	Reforestation and Promotion of Small Scale Forest Enterprises in the Upper and Middle Basins of the la Leche River, Lambayeque
PD 11/94 (F)	PERU	Rehabilitation of Degraded Areas in the Alto Mayo Region (Provinces of Rioja and Moyobamba)
PD 12/94 (F)	PERU	Reforestation of Degraded Areas in Iberia-Iñapari
PD 13/94 (F)	PERU	Forest Plantations with <i>Guazuma Crinita</i> Established on Farmers' lands in the ucayali region
PD 14/94 (F)	PERU	Reforestation in the Province of Satipo
PD 15/94 (F)	PERU	Management and Utilization of Tara (<i>Caesalpinia spinosa</i>) in La Libertad
PD 16/94 Rev. 1 (F)	PERU	Reforestation for the Production of Valuable Timber and Non-timber Products

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Project Number	Country	Project Title
PD 17/94 (F)	PERU	Secondary Forest Management Program Under Agroforestry Systems in the Human Settlements Along the Iquitos-Nauta Road
PD 18/94 Rev. 1 (F)	PERU	Participatory Forest Development in the Alto Mayo region for the Sustainable Management of Moist Tropical Forests
PD 23/94 Rev. 1 (F)	INDONESIA	Rehabilitation of Fire Affect Forest in East Kalimantan
PD 26/94 Rev. 1(F)	INDIA	Conservation and Sustainable Management of Mangrove Forest Genetic Resources Phase II: Establishment of Four Conservation Centres, Human Resources Development and Preparation of Guidelines for the Sustainable Management of Tropical Tidal Forests
PD 27/94 Rev. 2 (F)	GHANA	Women and Tropical Forest Development Program
PD 28/94 Rev. 1 (F)	PERU	Continuation of the Publication of the Journal "Bosques y Desarrollo" and Organization of a Communication and Information Service
PD 29/94 Rev. 2 (F)	JAPAN	Seminar and Study Tour on Biodiversity Conservation in Natural Forest in Miyazaki
PD 31/94 Rev. 1 (F)	JAPAN	Planning Practical and Cost-Effective Strategies for Genetic-Resource Conservation of Commercial Tree Species in Tropical Asia
PD 32/94 (F,I)	PANAMA	Sustainable Forest Management Demonstration Project in the Natural Forests of the Donoso District
PPD 3/94 Rev. 1 (F)	PANAMA	Studies and Diagnosis of the Actual Forest Production in the Province of Darien within a Framework of Sustainable Forest Resource Management

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. Decision on Pre-project Work

Pre-project proposal PPD 3/94 Rev.1 (F) "Studies and Diagnosis of the Actual Forest Production in the Province of Darien Within a Framework of Sustainable Forest Resource Management" entered the Project Cycle leading up to the Fourteenth Session of the Permanent Committee of Reforestation and Forest Management.

The Committee decided to approve the above Pre-project.

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

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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 Fifteenth Session

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

13. Any Other Business

A) *Project Ideas*

The Committee considered ten project ideas submitted by the Government of Congo, most of which are offshoots of the review of the forest sector of Congo conducted under the TFAP process. The Committee recalled the objective of PD 73/90 (M,F,I) related to assistance to member countries for project formulation and advise that the Government of Congo could avail of this opportunity to request the Executive Director of ITTO to hire a consultant to help develop the project ideas submitted into full project proposals.

B) *Previous Decisions*

The Committee also recalled its two decisions found on pages 18-19 of PCF(XIII)/16 Rev.1. These decisions pertained to the core objectives and priorities of ITTO's work in the areas of reforestation and forest management, and the workings of the Expert Panel. The Committee further recalled that it requested the Chairman of PCF to establish two working groups to deal with these issues. The Committee observed that some aspects of the successor Agreement, ITTA 1994 had changed and this would influence the priorities and activities of the ITTO. In this light, the Chairman suggested that since the new Agreement had not yet been ratified, these issues might be best discussed at a future date when the new Agreement comes into effect. The Committee agreed with this view and decided to postpone further discussions on these two issues until ratification of the new Agreement.

C) *Unfunded Project*

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 8/92 Study on the Growth of Native Species of Commercial Interest
Rev.2 (F) in Honduras,

- 2) PD 15/92 Rev.3 (F) Establishment of a Germ Plasm Bank and Pilot Reforestation Units,
- 3) PD 16/92 Rev.2 (F) Timber Logging in Rondonia - Phase I: Socio-economic and Environmental Diagnosis,
- 4) PD 18/92 Rev.1 (F) Research-Development Associated with Management Operations in the Closed Forest of Côte d'Ivoire: Determination of a Forest Typology Related to Silvicultural Systems,
- 5) PD 32/92 Rev.1 (F) Agroforestry Systems for the Communities of Nova California and Extrema, Rondonia, Brazil,
- 6) PD 37/92 Rev.1 (F) Preliminary Studies and Preparation of a Management Plan for the Bokoue Forest (Forestier de la Bokoue),
- 7) PD 43/92 Rev.1 (F) Strengthening of the Amazon Forest Development Center for the Sustainable Management of Tropical Forests,
- 8) PD 45/92 Rev.1 (F) Agroforestry Systems for the Communities of Medicilândia -Para, Brazil,
- 9) PD 47/92 Rev.1 (F) Project on Sustainable Forest Management, Production and Regulation in an Area of the Colombian Andes,
- 10) PD 48/92 Rev.2 (F) Biotechnological Development of Forest Species in the Zulia Basin in the Zulia Municipality, North Santander Department, Cimitarigua Community,
- 11) PD 49/92 Rev.3 (F) Biological Control of Micro-organism Pathogens in Forest Plantations in the Pamplonita and Arauca Basins, Pamplonita Municipality, North Santander Department, Negavita Community,
- 12) PD 50/92 Rev.3 (F) Conservation and Integrated Development in La Macarena Special Management Area,
- 13) PD 2/93 Rev.1 (F) Integrated Pilot Management of the Ngoua II Forest-North - Phase I: Preparation of the Management Plan,
- 14) PD 3/93 Rev.1 (F) Management and Conservation of the Forest of Bangou - Phase 1: Development of the Management Plan.
- 15) PD 38/92 Rev.2 (F) The Establishment of Community-Based Teak (*Tectona grandis*) Plantations on Degraded Forest Areas in the State of Kedah, Malaysia
- 16) PD 12/93 Rev.3 (F) Integrated Forest Fire Management in Indonesia - Phase I: National Guidelines on the Protection of Tropical Forests Against Fire
- 17) PD 21/93 Rev.1 (F) Forest and Farmers: Sustainable Coexistence

- 18) PD 36/93 Securing the Implementation of Improved and/or New
Rev.1 (F) Established Nurseries in Egypt
- 19) PD 37/93 Silvicultural Management in the Forests of Bajo San Juan
Rev.1 (F)
- 20) PD 40/93 Improvement of Data Collecting, Processing and Application
Rev.1 (F) Techniques for Sustainable Forest Management

14. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

1. The Committee recommended that the Council approve PD 33/93 Rev.1 (F) and allocate a total of \$2,521,450 (\$1,591,520 for sub-phase I and \$929,930 for sub-phase II) for its implementation.
2. The Committee recommended that the Council approve PD 35/93 Rev.4 (F) and allocate \$1,230,648 (\$565,998 for Phase I and \$664,650 for Phase II) for its implementation.
3. The Committee recommended that the Council approve PD 8/94 Rev.1 (F) and allocate \$77,015 for its implementation.
4. The Committee recommended that the Council approve PD 16/94 Rev.1 (F) and allocate \$305,000 for its implementation.
5. The Committee recommended that the Council approve PD 18/94 Rev.1 (F) and allocate \$1,381,100 (\$492,790 for Phase I and \$888,310 for Phase II) for its implementation.
6. The Committee recommended that the Council approve PD 23/94 Rev.2 (F) and allocate \$1,010,268 for its implementation.
7. The Committee recommended that the Council approve PD 26/94 Rev.1 (F) and allocate \$379,800 for its implementation.
8. The Committee recommended that the Council approve PD 27/94 Rev.1 (F) and allocate \$695,923 for its implementation.
9. The Committee recommended that the Council approve PD 28/94 Rev.1 (F) and allocate \$289,674 for its implementation.
10. The Committee recommended that the Council approve PD 29/94 Rev.2 (F) and allocate \$141,500 for its implementation.
11. The Committee recommended that the Council approve PD 31/94 Rev.1 (F) and allocate \$992,017 for its implementation.
12. The Committee recommended that the Council approve PPD 3/94 Rev.1 (F) and allocate \$82,818 for its implementation.

15. Report of the Session

The Committee accepted this Report for submission to the Council.

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Appendix I

TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

1. PD 33/92 Rev.2 (F) **The Establishment of a Demonstration Area for Sustainable Forest Use in the Wood Resource Base of the Forest Enterprise**

Summary of the Original Proposal

The overall objective of the project aims to establish a long-term, large-scale example of natural tropical forest management for sustainable timber production under conditions that maintain and improve forest ecological functions, and to disseminate any relevant information and experiences gained. The Project's specific objectives include the establishment of a demonstration area for training and research in sustainable forest management and investigations of the best logging and silvicultural systems for the natural tropical forest which can be applied to different forest conditions in the West African Region. The project deals with objectives identified in the National TFAP and is part of Cameroon's strategy for the development of forest resources.

The five-year project is divided into two phases, phase 1 being two years and phase two being three years. The first phase of the project is divided into four activities:

- 1) Social and economic study of the project site, to integrate local communities with the project,
- 2) Collection of information about lesser-known species and non-wood forest products,
- 3) Information gathering and analysis of various suitable logging and silvicultural systems, and
- 4) Specification of collection methods, structure and content of a forest inventory data-base.

The second phase involves:

- 1) The compilation of a working logging plan based on an inventory for a 7,500 ha area which is intended for logging during the first three years of exploitation,
- 2) The creation of a computerized inventory data base for management and educational purposes,
- 3) The establishment of a 7,500 ha permanent demonstration area that is under sustainable management,
- 4) Education and training of forest specialists and students through workshops and seminars,
- 5) Investigations of forest growth dynamics and regeneration in order to develop "best practice" for the forest enterprise and the region, and
- 6) Development of regional guidelines for sustainable forest management.

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Project Compliance with ITTO Requirements

This project is related to Objectives (c), (f) and (h) of ITTA, areas (a), (b), (d) and (e) of Article 23.5 and potentially all criteria under Article 23.6 of the Agreement. The project is also potentially relevant to strategies (b), (d), (e), (f), (g), (h), (k) and (l) of the ITTO Action Plan in the field of Reforestation and Forest Management and should be of immediate relevance to Target 2000.

Comments of the Fourth Panel

The Panel considered that the proposal was relevant to ITTO's core activities and that it could potentially make an immediate contribution to achieving progress towards Target 2000. However, the Panel also felt that there were many areas that needed further clarification before it could commend the project to the Committee for appraisal. These areas are outlined in the recommendations for reformulation below.

Recommendations of the Fourth Panel

That the project be reformulated to:

- a. Provide a more complete description of the project site including the current status of forest management and the results of any previous or current forestry projects in the area. Such a description should outline the specific areas where the project itself will build on this previous work.
- b. Provide an outline of the methodology for the specific activities defined in the project. This outline should include details of the personnel and budgetary requirements for each of these activities.
- c. Provide information on both the quantitative and qualitative data that will be collected by the project. An indication should also be given as to how these data will be used in the formulation of the management plan.
- d. Outline how the local people could give input to and participate in both the preparation and future implementation of the management plan.
- e. Include a more detailed presentation of the budget including justification and unit cost estimates for major budget lines such as personnel, equipment, supplies, travel, etc.
- f. Include a profile of the Russian State Association (Lesproekt) to indicate their particular contribution and the parts of the study they will undertake rather than the in-country implementing agency.
- g. Indicate the specific nature of the training that would be provided by the Project.
- h. Indicate how the project relates to other sustainable forest management projects in Cameroon [including the project proposed under PD 26/92 (F) in this project cycle] and broader national strategies to promote sustainable forest management.
- i. Indicate the provisions that will be made to ensure that continuity of sustainable forest management will be maintained in the project area after the end of the Project Period.

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Conclusions of the Fourth Panel

The Panel concluded that it was essential for the reformulated proposal to provide the above information was essential. The Panel also concluded that it would need to further assess such a reformulated proposal before it could be commended to the Committee for its appraisal.

Summary of Rev.1

The project has been reformulated as recommended by the Fourth Panel. The various concerns of the Panel have been addressed as follows:

Point a: A map showing the location of the project site has been provided. The proposal also mentions that the project area is covered by satellite data (Landsat) and aerial photographs (at a scale of 1:20,000) in part. General information on soil type and on activities of local people is also provided. Apart from mentioning that the area was covered by an inventory carried out by ONADEF in 1989-1991, further details on the description of the project is not given.

With regard to the status of forest management in the project area, the revised version explains that the forests in the project area have not been managed nor harvested and no other forestry projects are operating in this area. The project will take into consideration the results and experiences of other ITTO projects in Cameroon, such as PD 131/91 R.2 (F) 52/89 R.4 (F), 51/89 (I), 50/89 (I), 40/92 (M) and PPD 1/92 (F). The project's activities include the preparing a forest master plan, a strategy to utilize LKS species, an analysis of bio-physical, socio-economic and environmental factors, the creation of a computerized inventory data base for management and educational purposes and the establishment of permanent sample plots. These activities will be developed on the basis of the results and experience of the other ITTO supported projects.

Point b: Methodologies utilized to undertake specific activities have been explained in sections 4.1 and 4.2 of the revised proposal. Details on personnel are included in these sections. Funding resources required by each activity are included in the budget. However, it has been difficult to assess the standard unit costs employed for expertise.

Point c: Details on data to be collected by the project have been also given in sections 4.1 and 4.2. According to the proposal, the data collected will help define:

- Areas for harvesting annual allowable cut,
- Classification of the resource base area based on access and fire danger levels,
- Estimation of the wood resources volume by trade quality grade and cost value,
- An assessment of the potential of forest non-timber products, and
- Additional information to help develop the forest master plan.

In addition, the data collected will help establish a computerized inventory data base for management and training purposes.

Point d: Information regarding the involvement of local populations has been provided in the section related to the description of the project site. The local populations will be consulted during the socio-economic study in order to determine:

- their interrelations with the forest environment,
- estimate their needs in forest products and expansion of agricultural lands, and
- the areas to be excluded from industrial cutting.

The local populations will benefit of employment opportunities during inventory, research, forest exploitation, forest fire protection and wood processing activities. The collection and processing of forest non-timber products will also be organized to improve income.

Point e: A more detailed budget has been provided. However, the unit costs for experts are not clear and costs for inventory crews are not included. The basis for calculating construction costs are not shown. Costs for ITTO monitoring and evaluation are not included and ITTO administrative costs have to be adjusted to the approved level of 5.5%.

Point f: Information concerning the Russian State Association "Lesproekt" has been provided. "Lesproekt" includes 13 regional enterprises with about 5,000 specialists. It has expertise in forest inventory, forestry organization and the establishment of forest management data base. Under the project, "Lesproekt" will be responsible of the following activities:

- Determination of the structure and content of a forest inventory data base and methods of collection of inventory information,
- Inventory and assessment of the forest resources base in the area,
- Preparation of the forest master plan,
- Industrial inventory of an area of 7,500 ha, and
- Creation of a computerized inventory data base for management and educational purposes.

Point g: Training will be provided through vocational courses, workshops and seminars and will be for the benefit of students at the technical school in Mbalmayo. Topics for training programs include sound industrial logging technologies, reforestation, forest resources management on the basis of a computed forest inventory data bank, development of management plans, monitoring of ecological changes, and so on.

Point h: No specific reference has been made to PD 26/92 Rev.2 (F). However, the proposal indicates that it will consider the results and experiences of other ITTO projects implemented in Cameroon and will base its activities and strategies on the ITTO Guidelines to develop a sustainable management plan in an industrial large scale of 200,000 ha.

Point i: Prescriptions to ensure the continuity of sustainable forest management in the project area after the end of the project have been included in section 4.2.7. of the revised proposal. This basically refers to:

- obligations of the forest concessionaire to follow the prescriptions of the forest Master Plan,
- to revise the master plan after a period of 10-15 years,
- to continue monitoring progress in implementing the master Plan, and
- the continued collection and processing of data related to the resource base.

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Comments of the Seventh Panel

The Panel noted that an attempt has been made to address the comments of the Sixth Panel. However, it considered that some of the project components still require strengthening. In particular, local populations should be an active partner in the development and implementation of forest management activities. Therefore, the Panel felt that the demographic aspects of the project area as related to proposed activities have not been fully discussed. Mechanisms to ensure the participation of the local population have not been clearly outlined. More specifically, the Panel sought clarification on the sort of "Public Relations" mentioned in the proposal that would be used to contact local administration and population. Furthermore, additional details on how the local population will benefit from the project were needed.

The Panel made the following observations:

a) The project is imbalanced in three areas:

- There is an imbalance between the emphasis on traditional inventory work and other project objectives. The Panel noted that the project was aiming to develop an innovative approach to forest management activities with community participation. In this connection, the collection of data related to non-timber products, LKS, and the demographic, socio-economic and environmental aspects should be emphasized. The design of an innovative multi-purpose inventory addressing the above mentioned issues would be more appropriate.
- International expertise is heavily utilized without taking into full consideration the expertise and experience available within ONADEF to carry out forest inventories. International technical assistance could be justified for the overall planning of the project; design of a multi-purpose inventory; the development of strategies for a better involvement of local communities in forest management activities; data processing; establishment of a data bank and development of GIS. Nevertheless, the Panel believed that the project should emphasize and make full use of the available expertise and experience in ONADEF in many positions filled by international personnel. This change would result in budget savings that could either reduce the overall project budget or be used to strengthen the socio-economic components. The Terms of Reference for the international experts to be retained should be revised/developed and included in the project document.
- The contribution of the Government of Cameroon should be clarified and listed. The Panel felt that the responsibility of ONADEF to undertake field work for the multi-purpose inventory should be also clarified and detailed in the proposal. The Panel also recommended that, prior to the undertaking of field work, the inventory teams be trained in carrying out a multi-purpose inventory (identification of non-timber products, collection of environmental data, etc.). This training should also make use of the various guidelines developed by the ITTO.

The Panel suggested that budget framework be maintained but oriented in landscape format. This would allow space for six columns for the national contributions and six for the annual and overall totals. The Panel also suggested that the scope of the ITTO payments to national personnel be clarified.

- b) More information should be provided in the project document on the information available on LKS and on environmental and socio-economic data. This would help determine the feasibility of collecting the missing information within the proposed time-frame. Nevertheless, the Panel felt that two months for the international expert and two months for the national expert would not be sufficient to conduct the proposed socio-economic study in such a large area. Similarly, two months may not be enough time for

two national experts to collect information of LKS and on non-wood forest products, in addition to developing recommendations for their utilization.

- c) The Panel felt that the design of the forest inventories (in particular the management and the pre-investment inventories) should be reconsidered in order to develop a more innovative approach, taking into consideration the following two points:
- The need to collect information on non-timber forest products and species, LKS, socio-economic and environmental data, in addition to forest timber species.
 - The need to minimize repetitive field work to investigate the possibility of developing a multi-purpose inventory design. This inventory will generate information for forest management, establishing a data bank and guiding pre-investment decisions.

Recommendations of the Seventh Panel

The Panel made the following recommendations to strengthen the design of the project:

- a) The balance of the project should be reconsidered to give enough importance to the socio-economic component of the project.
- b) The allocation of the international expertise should be reviewed, taking into consideration the need to make the best use of the expertise and experience available in ONADEF.
- c) The contribution of the Government of Cameroon should be clarified and included in the proposal's budget.
- d) The design of the forest inventories should be reconsidered, taking into account the need of undertaking a multi-purpose inventory while minimizing repetitive field work.
- e) Provisions should be made for training inventory teams to carry out multi-purpose inventories.
- f) The proposal should specify the type of information available on environmental and socio-economic aspects.
- g) The project's development objectives should be reformulated in a more comprehensive manner.
- h) Project outputs should be further detailed and the time-table of activities should be outlined on a monthly basis.
- i) Project activities other than inventories should be detailed and include costs.
- j) Provision should be made in the proposal to avoid duplication of efforts with other forestry projects underway in Cameroon in general, and with the ODA project in Mbalmayo in particular.
- k) The project data base should be compatible with ONADEF's existing data bases.

- 1) Lesproekt's experience with implementing forest inventories in tropical moist forests should be included in the proposal.

Conclusions of the Seventh 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 recommended to the Permanent Committee for final appraisal.

Addressing the Seventh Panel's recommendations

The proposal was revised in response to the Panel's comments and recommendations. An attempt has been made to put the project into the newly approved ITTO format and this helped in strengthening the project design. However, the Secretariat observed that the reformulated proposal did not address all of the requirements of the proposal format including: the logical framework matrix, including indicators, means of verification and assumptions required to achieve expected outputs. Annex I contains an organization chart showing the general management of the project, which are also mentioned on page 22. Annex 2 includes the curricula of key project staff referred to on page 23. By referring to the ITTO project proposal format some of the concerns of the Panel of experts over the design of the project have now been resolved.

With special reference to the Seventh Panel's comments and recommendations, the revised proposal could be assessed as follows:

Increased importance of the socio-economic component of the project

New ideas have been introduced with regard to the socio-economic component of the project. The basic idea will be to ensure the participation of the local communities in the preparation and implementation of the forest management plan. The starting point is the socio-economic study of the project area in order to estimate the local populations' needs (p.8), so that the local communities living within and around N'lobe forest area could be the main target beneficiaries. The study will be carried out by a national socio-economic expert for four months, instead of two months by one national and one international expert. However, the Panel mentioned that the use of an international expert could be justified to develop strategies for a better involvement of local communities in forest management activities.

The revised proposal made also provisions for the establishment of a Committee for the project area, in which representatives of local communities would participate. The objective of the Committee is to support and monitor project activities and local communities interests (p.12). The forest management plan would include recommendations regarding utilization of non-wood products and expediency of organizing collection and processing these products at industrial scale to advance employment opportunities and the level of living of rural people (p.8). Furthermore agriculture activities will be intensified as part of the project: a development plan for agriculture will be developed, a more efficient framework will be set up in order to increase the productivity of farms, and promising agro-forestry techniques will be developed and disseminated (p.14). To develop the related programs provisions have been made to secure the services of an agriculture engineer for 4 months, who would also be involved in the finalization and adoption of the forest management plan (p.18). Finally, provisions were included in the revised proposal to conclude a Protocol of Understanding between the project and local communities regarding the setting up of working capital fund after the completion of the forestry management project (p.18). Although it is mentioned that these activities are part of the project, it appears that only the planning phases are included in the current proposal. Consequently, provisions have not been made in the project budget and activities for the implementation of concrete development activities.

In conclusion, the project is concerned with the planning stage of an integrated forest management resulting in the development of a master plan for the area. The revised proposal includes now ideas which would help strengthen socio-economic activities and ensure effective participation of local communities in the future when the plan would be implemented. However, the bulk of project activities and budget is still allocated to the conduct of forest inventory activities and the development of forest management data banks and training activities.

International expertise vs expertise available in ONADEF

The allocation of the international expertise has been reviewed. The total expert/months to be provided by Lesproekt has been reduced of about 20% and related activities would be performed by ONADEF. In particular, ONADEF will be fully responsible for the conduct of the logging inventory and the processing of data collected. In the previous proposal, these activities involved an input of 18 months of international expertise. In the same line, the duration in the project of the Principal Technical Adviser has been reduced from 26 to 20 months. However, this reduction in the use of international expertise did not result in a subsequent reduction of the overall project cost. The budget contains increased costs related to the training of inventory teams in carrying out a multipurpose inventory (\$281,000), the training of specialists in activities related to forest management (\$160,000), the development and implementation of the multipurpose management inventory, the increase in the salary of the national project director (from \$60,000 to 150,000 for five years) and the increase of the amount allocated to the purchase of equipment. In fact the total overall project budget has changed from \$1,459,350 to \$1,788,000.

Contribution of the Government of Cameroon

The contribution of the Government was not clarified in the revised proposal. The revised proposal mentions that this contribution would be in kind as specified in the previous proposal. Moreover, provisions have been made for items such as communication and operating expenses (\$60,000) and customs and taxes (\$60,000) and project offices (\$58,000) which were not included in the previous proposal. The inclusion of these items also explains the increase of the overall project budget.

Review of the design of the forest inventories

The design of the forest inventories has been reviewed. Instead of three types of forest inventories, only two types of inventories would be carried out: one multipurpose management inventory at a sampling ratio of 1% and a logging inventory at a rate of 10%. The pre-investment inventory is no longer envisioned. The data required for guiding investment decisions would be collected during the management inventory (p.19).

Training of inventory teams for carrying out multi-purpose inventories

Provisions have been made for training inventory teams. One month training is envisioned for training ONADEF staff in carrying out the innovative multi-purpose management inventory (p.16) and one week for the logging inventory (p.18).

Available information on environmental and socio-economic aspects

Details on available information on environmental and socio-economic aspects have not been provided. However, the information to be collected during the socio-economic study, the study on LKS and non-wood products and the different inventories has been detailed in the proposal.

Project's development objectives to be reformulated in more comprehensive manner

The development objectives have been clarified in a more comprehensive manner (p.4).

Details of project outputs and time-table of activities

Project's outputs have been detailed, and this result is part of the benefits of the proposal being developed according to the ITTO format for project proposals. A workplan detailing the timing of project activities in a monthly basis has also been provided.

Details and costs of project activities other than forest inventories

Project activities have been detailed in the project document and costed. In addition, a table including a breakdown of project budget by activity has been provided. However, as previously mentioned, some activities have been added to the project, such as intensifying agriculture activities. However, budgetary provisions have not been included in the proposal for these new activities..

Duplication of efforts with other forestry projects in Cameroon

In its actual design there is no risk of duplicating efforts of other forestry projects under implementation in Cameroon. The project is set up to make the best use of results and experience derived from other projects and to translate them into operational scale (p.7) and as a base of training.

Compatibility of the data base to be developed with ONADEF's existing data bases.

The revised proposal mentions that the data base to be developed would be compatible with the standard information systems of tropical forest assessment at the national and FAO/EEC levels. It will also be compatible with ONADEF's existing data bases in particular (p.17), and with the centralized system for controlling logging which has been setting up for the moist forest zone of Cameroon since 1988 (p.19).

Lesproekt's experience with implementing forest inventories in tropical moist forests.

No further information was provided with regard to this issue. However, inventory technologies and methods developed by Lesproekt were successfully applied in the forest conditions of Cuba and Laos. Lesproekt's experience in conducting forest management cycles (inventory-master plan-data bank-management system) will give a good opportunity to find the optimal forestry projecting model for specific tropical conditions which would promote to reach the ITTO's goals (p.3).

Conclusions of the Fourteenth Committee

The Committee noted that the project had been substantially revised in response to the comments and recommendations made by the Seventh Panel of Experts. Although the Committee concluded that the project's technical design had been improved, the Rev.2 proposal still required further adjustments. The Committee felt that the logical matrix framework, institutional arrangements, terms of reference for key project personnel, a map showing the location of the project, and an updated project budget were still lacking. The Delegation of

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Cameroon agreed to refine the proposal taking into consideration the Committee's recommendations and would submit the final version to Committee's Fifteenth Session in November 1994 in Yokohama, for its final consideration.

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

Summary

The proposed project will strengthen forest management activities for the first of three components of the wider Chimanes Program. These components support activities to 1) develop and sustainably manage the tropical forest for timber production, 2) improve socio-economic conditions of the local population, and 3) ensure the conservation of biological diversity of the Chimanes forest ecosystem. This project is the second phase of PD 34/88 Rev.1 (F,I) and proposes to continue and strengthen forest management practices introduced in Phase I. The proposal was formulated following the new ITTO Project Formulation Manual and includes sections on:

- Relevance to ITTO and National Policies,
- Project justification and background information,
- Development objective, specific objectives, outputs and activities,
- Institutional arrangements, monitoring, reporting and evaluation, and
- Detailed budget worksheets.
- Annex I illustrates a map of the project area, workplan, organizational charts, and logical framework matrices, and
- Annex II contains the CV's of key project staff.

The proposal analyzes experiences gained from Phase I (PD 34/88) and PD 88/90 (mahogany research undertaken by the University of Princeton and the Forest Development Center - CDF) and justifies the needs for continued ITTO support. The main elements of the proposal were conceived during a workshop held in the project area in March 1993 with the participation of key governmental line agencies, local government, trade, NGO's and local communities. The proposal was developed by project staff and assessed by the Consultative and Steering Committees of PD 34/88. The proposal was then refined to incorporate the suggestions and recommendations from the two committees and other interested parties.

The project has two sub-phases and revolves around two specific objectives. The first is to establish a sound basis for achieving the sustainable management of the permanent production forest through the implementation of management plans. Here the project proposes to obtain additional information essential for development and refinement of management plans for the Permanent Production Forest. It will guarantee the sustainable management of the Chimanes forest by ensuring appropriate regeneration techniques for mahogany and will promote the use of additional species. The responsibility for the implementation of these plans will be transferred from the CDF to six existing logging enterprises through a phased approach in which they will be up-graded to timber management companies.

The second objective is to establish a sound basis for achieving sustainable forest management through guided and assisted participatory self-management in indigenous areas so as to guarantee improved living standards for the communities in those areas. In short, the project will assist indigenous communities to develop forest management plans to sustainably manage forest resources in indigenous reserves. The project will teach the various ethnic groups how to protect their forest, control illegal cutting, harvest timber for consumption and marketing, make provisions for regeneration and develop sound agroforestry systems.

The Executing Agency is the Bolivian Forest Development Center - Northern Region (CDF-RN). ITTO financial resources (\$1,591,520 for Phase I) will be used to improve infrastructure, carry out inventories, continue

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research and train both logging companies and indigenous communities in sustainable forest management practices. The Government of Bolivia resources (\$500,998 for Phase I) will be used to pay for project personnel, per diem and travel costs as well as expendable items.

Comments of the Six Panel

The Panel felt that the project is well formulated, addressing the essential items outlined in ITTO's Project Formulation Manual. The Panel noted that many problems encountered in the current project, PD 34/88 Rev. 1 (F,I) have been adequately addressed in the new proposal. The budget is substantial but justifiable because it conforms to the complexity of proposed activities. The project could provide a model of how an area might be sustainably developed at all different levels, ensuring the protection and sustainable management of tropical forests while benefiting the local population. The Panel also noted that with recent elections in Bolivia, the new government is forming a ministry to oversee environment and sustainable development initiatives. ITTO projects will be implemented under the purview of this new ministry and strong governmental support is anticipated.

Recommendations by the Sixth Panel of Experts

The Panel had two minor recommendations. The proposal should clarify costs related to capital and premises in the budget, and include a readable map.

Conclusion of the Sixth Panel

While these minor amendments are considered desirable, the project should be commended to the Permanent Committee for final appraisal and approval.

Addressing the Panel's Comments

The implementing agency submitted an addendum to PD 33/93 (F) which is found in PCF(XIII)/12 which contains a budget worksheet clarifying the costs attributed to capital expenditures and premises, and two improved maps detailing project location.

Conclusions of the Thirteenth Committee

The Committee regarded this project to be very well formulated and written. The US Delegation had the proposal reviewed by industry and conservation specialists who rated the proposal very highly. However, the Committee reflected upon the difficulties encountered during the early stages of implementation of the predecessor project, PD 34/88 Rev.1 (F,I). Some issues regarding the rights of indigenous people to harvest and benefit timber on Indian Territories was not clear. Furthermore, the Committee observed that the final evaluation of the first phase had not yet been completed and felt uncomfortable approving this project before hand. The Committee felt that it would need to weigh the outcome of the final evaluation in addition to having the Bolivian Delegation present to respond to the Committee's concerns. Therefore, the Committee decided to defer further discussions and a final decision on this project to its next session in May 1994.

Conclusions of the Fourteenth Committee

The Committee recalled that this proposal was discussed during its XIII Session in Yokohama in November 1993. At that time, the final evaluation of Phase I [P34/88 Rev.1 (F,I)] had not yet been completed. The Committee had several issues that required clarification but could not discuss them in detail because the Government of Bolivia was unable to attend the XV Council Session. Consequently, the Committee decided to extend the Phase I for a period of six months and postpone further discussions until its XIV Session.

After reviewing the final evaluation report, a working group was formed of with representation of the Delegations from Bolivia, France, Denmark, Switzerland, and the United States. The working group drafted a second addendum [circulated as PCF(XIV/19) - the first addendum pertained to some budgetary modifications from the XIII Session] to incorporate the recommendations from the Phase I evaluation as well as clarify the role of the local communities and industry during the project's second phase. In light of the favorable outcome of the final evaluation of Phase I, and the changes reflected in the second addendum the Committee approved the project and recommended that the Council allocate a total of \$2,521,450 (\$1,591,520 for sub-phase I and \$929,930 for sub-phase II) for its approval and implementation.

3. **PD 35/93 Rev.4 (F) Forestry Management, Community Development and Sustained Use of Forests on the Punta Patiño Nature Reserve, Darien Region, Republic of Panama**

Summary of the Original Rev.1 Proposal

The original project proposal submitted to ITTO did not follow the ITTO format. Therefore, the executing agency, ANCON, with the encouragement of the Government of Panama, resubmitted the same proposal following the procedures outlined in the new ITTO project formulation manual.

The Implementing Agency, ANCON, successfully implemented an ITTO project: **PD 164/91 Rev.1 (F) Native Species Reforestation as an Alternative for Conserving the Panama Canal Watershed**. This project was favorably evaluated during an ITTO mission in February 1993 and reviewed by the Permanent Committee on Reforestation and Forest Management in Kuala Lumpur during the May 1993 Session of the ITTC (PCF XII/6).

The proposed project area is located in the Darién Province of eastern Panamá, the most heavily forested region in the country. The Darién is inhabited by Indian and colonist groups who have moved along the highway opening up the Darien Province, clearing land for agriculture and livestock production. The project will focus on Punta Patiño Nature Reserve which was purchased by ANCON in late 1992. Punta Patiño's primary forests are home to a wide variety of endangered species including the tapir, jaguar, ocelot, several species of monkeys and several hundred bird species.

ANCON has identified two key problems which will be resolved through the proposed project. The first problem is a lack of information about the flora and fauna of the area to formulate an effective management plan for the forests. The second is the lack of knowledge on how to incorporate sustainable timber growth and harvesting among the communities of the area while promoting conservation and contributing to their economic growth and increased standard of living.

The project has one development objective and two specific objectives:

- The overall project objective is to achieve forest management and conservation through biological monitoring and research while creating sustainable agroforestry and reforestation programs within local communities.
- Specific Objective #1 will establish community reforestation and agroforestry extension programs within the communities of Punta Patiño to promote sustainable forestry development programs and to guarantee the improved living standards of these communities.
- Specific Objective #2 will establish a sound scientific basis from which to achieve and support the sustainable management and conservation of the forests in Punta Patiño.

The project will guarantee the sustainable development and conservation of Punta Patiño's forests, while creating programs to encourage sustainable community development. ANCON will work in five communities training participants in agroforestry and forest management. Furthermore, research will be undertaken concerning forest species identification and management. The project will undertake activities in species identification, mapping, aerial photography, inventories and reforestation. By the end of the project, a set of buffer zone and reserve management plans will have been developed suitable to biological and socio-economic characteristics of the area.

Project Compliance with ITTO Requirements

According to the proposal, the project is consistent with objectives (c), (f), and (h) of the 1983 ITTA. It also complies with all of the criteria found in Article 23, Paragraph 5, Paragraph 6. The proposal also conforms to the ITTO Action Plan in the Field of Reforestation and Forest Management:

- Studies on the economic and financial costs and benefits of forest management
- Identification of field demonstration projects where sustainable production of timber and non-timber products may be combined.
- Comparative assessment of silvicultural treatments on permanent sample plots.
- Promoting and financing demonstration projects for different management models for regional/sub-regional networks of such projects.
- Help to finance exchange visits and workshop participation by technical personnel.

Comments of the Six Panel

The Panel commented that the project is technically well-designed and the institutional capabilities appear to be adequate. The Panel noted that project activities would take place within the newly created Punta Patiño Nature Reserve. However, it is not clear how the benefits would be distributed seeing that they originate from inside the reserve itself. The proposal does not explain where the participant communities are located, inside or outside the reserve. Furthermore, it does not describe the land tenure status of their holdings and their relationship with the reserve. If the communities are located outside the reserve while activities take place inside how would they be able to benefit from agroforestry activities and timber harvesting in natural forests?

It was difficult for the Panel to evaluate the proposal because it lacked certain essential information. The proposal did not provide details concerning the type of agroforestry systems the participants would adopt and the extent of the area devoted to each one of the project's components. It was not clear where forest management activities would take place (e.g. primary vs secondary forest). Regarding reforestation, there should be a clarification provided on the availability of local funds, such as incentives from the Government of Panama,

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to support tree planting activities. The Panel also questioned where the seedlings would be planted and which types of configuration would be used (e.g. enrichment planting, agroforestry configurations, plantation, etc.).

The Panel felt that the budget also required further justification. In addition, terms of reference are required for each one of the key positions in the project's staffing structure.

Recommendations by the Sixth Panel of Experts

The Panel feels that the proposal could be strengthened by:

- a. Describing precisely how communities would benefit from the project.
- b. Clarifying the location of communities and participant land tenure status.
- c. Stating how each one of the project's phases relate to the objectives.
- d. Providing more details and justification of budget line items.
- e. Presenting detailed Terms of Reference for each key position.
- f. Describing the type of agroforestry systems proposed and how they would be managed for conservation and wood production.
- g. Detailing the amount of land area and location for each component, agroforestry, reforestation, timber management, etc.
- h. Clarifying the availability of local incentives for reforestation.
- i. Provide information on how much cash flow would be derived from logging and how it would be used to support activities.

Conclusion of the Sixth Panel

The Panel concluded that there is insufficient information to adequately assess the proposal. The Government of Panama may submit a reformulated proposal taking into consideration the above comments and recommendations.

Addressing the Sixth Panel's Comments with Rev.2

Community Benefits:

The Panel requested the implementing agency to strengthen the proposal by describing precisely how communities would benefit from the project. On page 15, the proposal explains that the communities will be provided with a source of income from harvested timber, which will be used on farm (fuel and construction) and sold in the local market. On page 20, more detail is provided on the formation of community based cooperatives as a means for organizing participants and distributing benefits.

Land Tenure:

The Panel felt that the proposal should clarify the location of target communities and participant land tenure status. On page 15, the revised proposal furnishes details on the target communities including location, estimated population and the origin of the inhabitants. The appendix contains a map showing the location of the communities in relation to the reserve. On page 13, an explanation on the land tenure issue is given. The inhabitants occupy government land by "right of possession". The project intends to assist participants in the process to obtain legal titles to their land.

Project Phases:

The Panel asked the implementing agency to state how the project's phases related to the objectives. First, the revised proposal has clarified and strengthened its objectives and secondly, an explanation is provided on how the phases relate to the project's objectives on page 21. Phase I centers on planning, information gathering, community organization, and training. Phase II concentrates on the construction of nurseries and training center, seedling production and follow-up to training. Research will be initiated in forest management and biological monitoring during the second phase as well. Phase III will focus on preparations and arrangements for continuing and strengthening activities initiated during the project.

Budget:

The Panel request more details and justification of budget line items. The revised proposal has detailed budget requirements beginning on page 30. A three-page attachment to the budget gives an explanation of how budget line items support project activities. However, funds for monitoring and evaluation have not been allocated. An estimated \$10,000 is required for each one of the three phases. This would result in a slight increase in program support costs as well. The requested ITTO contribution should therefore read \$551,250 for Phase I, \$409,500 for Phase II, \$231,000 for Phase III, and a total three year budget of \$1,191,750.

Terms of Reference:

The Expert Panel thought that the proposal would be strengthened by including a detailed Terms of Reference for each key position. The revised proposal does not contain Terms of Reference but a CVs are found in the appendix for the implementing agency's project support staff.

Agroforestry Systems:

The Sixth Panel believed that the proposal should describe the type of agroforestry systems proposed and how they would be managed for conservation and timber production. On page 18 of the revised proposal explains that the taungya system will be employed. Perennial crops such as coffee, fruit trees and certain types of bean crops will form part of agroforestry configurations. Periodic silvicultural treatments will provide wood for on-farm use while timber trees will be managed on a long-term rotation (15-20 years). Some of the species utilized such as *spiny cedar* (*Bombacopsis quinata*) and *bitter cedar* (*Cedrela odorata*) are fast growing native timber trees with a high market value throughout Central America.

Land Area:

The Expert Panel requested the implementing agency to detail the amount of land area and location for each component, agroforestry, reforestation and timber management. On pages 15 and 19 some of this information is provided. The land area proposed for reforestation on the Punta Patiño reserve has been clearly defined. The amount of land for timber harvest will be defined in the forest management plan. Agroforestry systems will be established mainly on participant land, but a demonstration area will be set up on the reserve as well.

Local Incentives:

The Panel felt the proposal should specify the availability of local incentives for reforestation. However, the revised proposal does not address this issue.

Cash Flow:

The Panel asked for details on how much cash flow would be derived from logging and how it would be used to support activities. The revised proposal explains that this information would be generated during the development of the forest management plan. Income generated from harvesting activities would be based on volumes and types of species harvested, methods of extraction, levels of processing and final destination. The revised proposal has defined potential markets for timber harvested.

Conclusions of the Thirteenth Committee

The Committee deferred discussion on this proposal for one day to allow delegates enough time to review the revised proposal. The Committee felt that the project contained many essential elements for the sustainable management of tropical forests. The Committee also felt that the implementing agency had done a very good job of revising the proposal to address the Panel's comments. However, because there were substantial changes to the proposal, the Committee felt that it would be highly beneficial to have the Panel examine the revised proposal. The Panamanian Delegation appreciated the Committee's comments and accepted the recommendation to have the Panel review the revised proposal.

Changes in the Rev.3 Version

The Rev.3 proposal differs slightly from the Rev.2 version. First, the proposal now refers to Law Number 25 (on page 7) which is being debated by the Panamanian legislature for including incentives to private landowners for rationally managing the forests. The law, when passed, would have to go through a long regulation process.

Secondly, on page 14, the proposal explains the three year process for organizing the project staff and communities to undertake project activities during each one of the three years. On page 20, additional information is provided on forestry research (paragraphs at the top and bottom of the page).

Finally, the budget has been amended to included US\$ 10,000 for monitoring and evaluation and the 5% program support costs have not been increased to 5.5%. Therefore, the total budget requested for the three year period is \$1,176,324 as opposed to \$1,160,250 listed in Rev.2. The budget in Rev.3 has been presented altogether whereas Rev.2 had broken it down into three 1-year phases.

Budget - Monitoring and evaluation costs should also be estimated at \$30,000, for the entire life span of the project. With this adjustment, the total ITTO financing requirement should be \$1,207,975.

Comments of the Seventh Panel

The Panel noted that the Executing Agency has followed the recommendations made by the Sixth Panel and felt that the proposal was well developed. The Panel discussed the objective related to the formulation of a country-wide environmental assessment plan. In this regard, the Panel felt that the environmental impact assessment should follow methodologies employed by other countries seeing that Panama has not yet passed related legislation.

Recommendations of the Seventh Panel

The Panel felt that another revision of the proposal was not required, but wished to see some minor amendments made to the budget:

- a. On page 21 a small loan/grant program is described, however, funds to support this activity should be included in the budget.
- b. The Steering Committee meets twice each year, and the Consultative Committee, six times per year. The Panel recommends that the budget be amended to support travel costs for the institutions that need to travel to attend these meetings.
- c. The Panel also wishes to draw to the attention of the Permanent Committee similarities with a proposed pre-project. Please refer to the Panel's comments on PPD 3/94 (F) - *Studies and Diagnosis of the Actual Forest Production in the Province of Darien Within a Framework of Sustainable Forest Resource Management*.

Conclusions of the Seventh 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 Panel's Comments

The Panel felt that another revision of the proposal was not required, but wished to see some minor amendments made to the budget. The Implementing Agency has submitted a revised budget that is circulated as PCF(XIV)/17. The budget worksheets should replace pages 31-34 of the Rev.3 proposal.

Small Loan/Grant Program

The Rev.3 version of the proposal has a small loan/grant program described on Page 21. The Panel requested that this be included in the revised budget. As noted on the second page of PCF(XIV)/17, under item 6, *Miscellaneous*, \$90,000 has been included as a counterpart match from the implementing agency. Consequently, the ANCON contribution has been increased from a \$660,000 to \$750,000.

Steering/Consultative Committee Meetings

The Panel requested that the budget be increased to cover costs associated with the Steering and Consultative Committee meetings. As noted on Page 1 of the addendum, under item 3) *Travel*, line b) *Local transportation costs* have been increased from \$55,000 to \$85,000 over the three year period. In addition, under item 1, line f) *Monitoring and Evaluation* has been increase from \$10,000 for the three year period to \$30,000.

As a result of these changes, the new project budget stands at:

	(US\$)		
	New	Former	Increase
Total:	1,980,648	1,836,324	144,324
ITTO	1,230,648	1,176,324	54,324
ANCON	750,000	660,000	90,000

Conclusions of the Fourteenth Committee

The Committee recalled that this project had been discussed during its XIII Session in Yokohama in November 1993. The revised proposal followed both the Committee's previous recommendations and those of the Panel as outlined in the addendum found in PCF(XIV)/17. The Delegation of Panama announced that after informal consultations with other delegations, the budget was divided into two phases to facilitate financing and subsequent implementation. The phased budget was circulated in the Committee as PCF(XIV)/20. The Committee approved of these changes and recommended the Council to allocate \$1,229,075 (\$564,425 for Phase I and \$664,650 for Phase II) for its approval and immediate implementation.

4. PD 4/94 Rev.1 (F) East New Britain Balsa Afforestation Project

Summary

Cocoa and copra are the main cash crops of smallholder of the East New Britain Province of PNG. However, these crops have received low prices in the recent years, resulting a reduction of smallholder income. Diversifying crops by incorporating balsa wood production on small farms could improve the economic situation of the existing smallholder farmers since comparatively good returns are available for balsa.

The objective of the project is to develop balsa farming as an additional cash crop by providing capital and technical support to smallholders to overcome the main obstacles of balsa farming. Project activities include:

- The developing approximately 100 smallholder blocks of at least one hectare each, planted with balsa.
- Establishing nursery facilities to provide planting materials.
- Providing technical support for project activities and promoting balsa farming through extension.
- Establishing a system to monitor growth, pests and diseases.

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Project Compliance with ITTO Requirements

The project proposal is related to objective (f) as outlined in Article 1 of the ITTA. Furthermore, the project conforms to basic strategy (i) outlined in the ITTO Plan of Action in the field of Reforestation and Forest Management.

Comments

The Panel regarded the concept of developing Balsa as an alternative "cash crop" to be of value. The proposal's feasibility assessment could have been strengthened if a comparative cost/benefit analysis with cocoa and copra farming had been included. The Panel noted that the project has not been developed in accordance with the ITTO Manual for Project Formulation. The Panel further noted that the budget is too high in comparison with the scope of the project which will focus on the establishment of about 100 ha of Balsa wood.

Furthermore, the Panel was concerned about a number of technical issues. Yield predictions, Balsa prices and expected internal return rate appear to be unrealistically high and should be reviewed. The Panel thought that the proposal should provide information on current supply and demand of milling companies operating near the project site and their potential involvement in project activities.

The Panel felt that the project should place greater emphasis on extension activities noting that a description of the nursery site is not provided. The Panel questioned the need to establish a nursery, considering difficulties related to Balsa seeds treatment and the nursery operations. The Panel thought that direct seedling when combined with adequate site preparation could be a good alternative to nursery production. Furthermore, Ecuador has considerable experience establishing and managing Balsa plantations. This experience could help strengthen the project's technical merit. The Panel concluded that two cost/benefit analyses would be of benefit: one from the project as a whole, and the other from the participants' standpoint. The Panel remarked that extension costs are not broken down and questioned whether a dump truck is really needed. Finally, the potential environmental impact of proposed activities were not discussed in the project document and should be included.

Recommendations

The Panel recommended that improvements be made in project design taking into consideration the above comments in addition to the following specific recommendations:

- a. The proposal should be developed according to the ITTO Manual for Project Formulation.
- b. The project should change its strategy from nursery seedling production to direct seeding of the plantation site after appropriate site preparation has been done.
- c. The budget should be reduced to coincide with the project's scope because the cost of plantation establishment appears high on a per hectare basis.
- d. Assumptions for Balsa yield estimates and internal rate of return calculations should be reviewed to ensure realistic outcomes.
- e. Additional information should be provided on the project site and how milling companies might be involved in the project.

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Conclusions

The Panel concluded that with the incorporation of above essential modifications, which are necessary for success, the project could be recommended to the Permanent Committee for appraisal.

Addressing the Seventh Panel's recommendations:

The project was substantially revised to respond to the Panel's comments and recommendations, and as a result of a visit to the project's site. The latter concluded that the original objective of the project, which was focussed on the establishment of 100 smallholder blocks of one hectare each, was inappropriate in consideration with the development that has already taken place in the project area, in particular the establishment of Balsa nurseries and plantations. On the contrary it was found that there is a very large need for co-ordination of the industry development, for smallholder extension and for forestry/agriculture staff training and, for genetic improvement of Balsa planting stocks. The proposal has therefore been reformulated to address these issues. Project outputs will include farmer extension and training, industry staff training, the development of an organizational structure for coordinating industrial activities, and the establishment of a balsa seeds orchard.

In this context, it is evident that most of the Panel's comments and recommendations are not any more relevant to the revised proposal. However, a detailed assessment of the revised proposal in relation to the Panel's comments and recommendations could be as follows:

Project's format

The proposal has been reformulated according to the ITTO Manual for Project Formulation. Development and specific objectives, activities, inputs and outputs are presented in a logical and comprehensive order. However, the project budget was not broken down into an activity basis and it was explained that this would not be practical because the bulk of the project will comprise of the coordinating and training activities of the consultant, with all activities being inextricably linked and varying in priority over different stages of the project.

Change of project strategy from nursery production to direct seeding

Although the project is not any more concerned with direct establishment of Balsa nurseries and plantations, the revised proposal gave the impression that there no especial technical difficulty in carrying out these activities. It is mentioned that smallholder planting was already occurring at a satisfactory rate and existing nursery facilities appear to be adequate. One of the balsa mills would have established its own nursery and is selling the seedlings. Furthermore the PNGFA, the Forest Research Institute and the Department of Agriculture and Land Livestock have a good expertise and have established balsa nurseries and plantations. The problems identified seem to be the management of the nurseries, the regularly supply of quality seed stocks which calls for tree selection and the establishment of a seeds orchard, and poor silviculture practices.

Reduction of the budget to coincide with the project's scope

The overall budget of the project has been increased from \$261,000 to \$300,000. However, the ITTO contribution has been reduced from \$261,000 to 232,000. It should be mentioned here that these alterations have not been made in response of Panel's recommendations. They reflect the new objectives and activities of the reformulated proposal.

Review of the assumptions for balsa yield estimates and internal rate of return calculations

Balsa yield estimates still stand at 300 cubic meters per hectare over five years, as in the original proposal. No internal rate of return has been calculated in the reformulated proposal, either for the overall project or for the participant's standpoint.

Additional information on project site and on the involvement of milling companies in project implementation.

As already mentioned the specific objectives of the project have been substantially changed and the project is now focussed on institutional organization and strengthening with the view "to act as a catalyst for the future orderly and structured development of the balsa industry". The main input of the project is the consultant who would provide technical expertise and coordination. The project site is therefore the Gazelle peninsular area as a whole where all potential partners are located. However the establishment of a seeds orchard is envisioned in the reformulated proposal, but no precise site has been indicated.

With regard to the involvement of milling companies in the project, as actually designed, it is indicated that the milling companies will provide their cooperation in the coordination process. They will also be involved in training activities related to nursery management, plantations establishment and maintenance, and balsa wood processing. Through the coordination process they will also be involved in planning marketing strategies and monitoring their developments.

Conclusions of the Fourteenth Committee

The Committee noted that the project strategy had been reoriented and that the revised proposal was focussed on different specific project objectives rather than those included in the original proposal. It also acknowledged the declaration made by the Papua New Guinea Delegation that the revised proposal is not a complete departure from the original proposal's development objectives. The revisions were made to strengthen the project's ability to promote the development of the balsa industry by enhancing coordination between growers and industry. The Committee also noted that the revised proposal would provide greater focus on training in nursery management, silviculture techniques and balsa wood processing.

Since specific project objectives had been changed along with project activities, the Committee felt that it would be better to refer the proposal to the XVIII Expert Panel for appraisal, prior to further consideration by the Committee during its Fifteenth Session.

5. PD 8/94 (F): Evergreen Club of Ghana/ITTO Youth in Forestry Project

Summary

The objective of the proposal is to strengthen the capability of the Evergreen Club of Ghana, an environmental NGO created by school children with branches throughout the country. During project implementation, community/school environment activities would be organized and woodlots created. The support sought from ITTO would be to purchase two cross-country vehicles, one computer, one photocopier and to hire one expert forester for six months to help organize the Club's activities.

Project Compliance with ITTO Requirements

The project meets objective (f) and (h) of Article I of the ITTA 1983. It is also consistent with basic strategies (i) and (l) in the field of Reforestation and Forest Management as outlined in the ITTO Plan of Action.

Comments

The Panel considered that the proposed project is unique because it requests a modest donation for materials and technical assistance to assist the Evergreen Club of Ghana. The Panel discussed its merit for ITTO support, mindful that approving this type of project could set a precedent. However, the Panel recognized that Ghana is undertaking an extraordinary effort to promote sustainable forest management. In this context, the project could have a multiplier effect. The Panel stressed the importance of attentive monitoring and evaluation on the part of the Secretariat to assess its benefits. It also suggested that the linkages between the project and the Ghanaian national forestry development plan be clarified, describing its contribution towards ITTO's objectives.

The Panel also made some technical comments to improve the proposal:

- Project activities should include the production of promotional materials, especially audio-visual material such as videos which could be circulated among the schools.
- Funds should be allocated to support project administration at the national level.
- The purchase of two 4WD-vehicles should be clearly justified. The Panel thought that other equipment like loudspeakers would be useful for this type of project.
- Budget line items should be specified and justified.

Recommendations

The Panel made the following recommendations.

- a. Linkages between the project and the Ghanaian national forest development and its contribution towards ITTO's objectives should be explained.
- b. Provisions should be made for the production of promotional materials, especially audio-visual materials.
- c. Funds should be allocated to support project administration. Budget items should be detailed and justified.

Conclusions

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 Seventh Panel's recommendations.

The proposal has been revised in an attempt to response to the Seventh Panel's comments and recommendations. The assessment of the revised proposal could be as follows:

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The Panel suggested that the linkages between the project and the Ghanaian national forestry development plan be clarified, describing its contribution towards ITTO's objectives. However, this point was not addressed in the revised proposal. With regard to the specific recommendations, the responses have been as follows:

Production of promotion materials

As suggested by the Panel, the proposal now has provisions for the production of promotion materials. To that end, one video camera, one video deck and T.V. in addition to a public address system and other supporting equipment will be purchased (see project budget).

Funds to support the administration of the project

The funds required for project administration have been budgeted and will be provided by the Ghana Timber Export Development Board (point 8.3).

Justification of the use of the two 4WD vehicles

The first vehicle will be converted into a mobile cinema van mounted with the audiovisual equipment to show films and distribute promotional materials to schools. The other vehicle will support project administration work at the national level and at the same time service the project adviser. With regard to the suggestion of the Panel to purchase loudspeakers, provisions have been made to purchase audio-video equipment (point 8.1).

Specification and justification of budget lines

The budget lines have been specified and justified. However, budget allocation for hiring an expert forester is missing as well as an allocation to support ITTO administrative costs and these related to ITTO monitoring and evaluation. Furthermore the total contribution sought from ITTO has been estimated at \$73,000. However, the total of budget items to be supported by the ITTO as outlined in the section concerning financial requirements (section 11.0) amounts to \$62,202, thus there is a difference of \$10,790. This difference should be clarified.

Funds required from national sources amount to \$25,000. However, the total of budget items to be supported by national contribution amounts to \$39,000. Again, clarifications are needed and the total project budget appears to require adjustment.

Conclusions of the Fourteenth Committee

The Committee considered the project to have potential for contributing to environmental protection and the extension of reforestation activities. The Committee discussed some shortcomings within the budget and sought clarification from the Delegation of Ghana with regard to the strategy on promotional activities. Some delegates also expressed their doubt concerning the relevance of the project to ITTO's core objectives and priorities.

In general, the Committee felt that the Ghanaian Delegation was able to clarify the issues regarding the project budget. After further clarifications on the role of the Ghanaian Forestry Department in supporting the project, the Committee decided, with reservations expressed by the Swiss Delegation, to recommend to the Council to approve the project and allocate \$77,015 for its implementation.

Conclusions of the Fourteenth Committee

6. PD 16/94 Rev.1 (F) Reforestation for the Production of Valuable Timber and Non-Timber Products

Summary

This project is an outcome of work done by the Shaman Pharmaceutical Company in Peru which found that the bark of a fast growing tropical tree Croton lechleri to have taspine, an extract with healing properties. Through this work, silviculture techniques were developed for this species utilizing demonstration plots. However, funding has not been available for large scale reforestation activities.

The proposed project will be undertaken in central Peru, in the lowland tropical forests of the Amazon Basin. The area is inhabited by both native communities and colonists. As a result of colonization, the natural forests of the area are under threat. In particular, native communities are facing problems due to the encroachment of landless settlers on their territories. The project will promote agroforestry and forestry practices as an alternative to swidden agricultural systems.

The project will be implemented in two distinct areas: the native community of *El Milagro* located on the banks of the Pichis River, and a colonist area known as the *Villa Rica* district. It will adopt a strategy which stems from the traditional swidden agriculture process. There are two options:

- a. When the primary or secondary forest is initially cleared for cropping, the farmer will plant the short cycle crop (e.g. upland rice, cassava, corn, beans, etc.) intercropped with 400 high value trees (cedar - Cedrela odorata; mahogany - Sweitenia macrophylla) per hectare.
- b. If the farmer is in the second year of the cycle, s/he will plant the crop with 1,200 plants of Croton in addition to 400 plants of cedar and mahogany and 400 plants of tornillo (Cedrelinga catenaeformis) and ishipingo (Amburana cearensis).

According to the proposal, during the eight year of the rotation the 1,200 Croton trees will be harvested for its bark. This will provide an income of US\$ 36,000/ha. In year 16, a second thinning will take place, harvesting 40 m³/ha at a value of US\$ 12,000. In year 25, the final harvest will be done yielding 50 m³/ha of timber at a value of US\$ 25,000. Shaman Pharmaceutical has ties with the implementing agency and has agreed to purchase all the Croton bark produced by the project.

The implementing agency, Ecg Development, Environment and Reforestation Association (EDMAR) will assist the communities establish a nurseries to produce the plants. The nurseries will become the property of the participating communities upon completion of the project. Funding is required only during the first three years of activities because participants will be able to mortgage their earlier plantations to obtain the funds for establishing additional ones with Croton and other valuable tropical woods.

Project Compliance with ITTO Requirements

According to the proposal, the project is consistent with objectives (f) and (h) of the 1983 ITTA. It also complies with the criteria found in Article 23, Paragraph 5, and points (a), (a) and (d) of Paragraph 6.

Comments

The Panel noted that the project in general follows the ITTO proposal format although it does not break down the budget by activity group. It also felt that the project has potential for integrating timber production with non-timber products, and as such, was relevant to ITTO. The Panel, however, was unable to determine the commitment of the Shaman Pharmaceutical Company. On Page 4 of the English version, the proposal states that

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the research component will be funded by the Shaman Pharmaceutical Company while on Page 10, the proposal mentions that Shaman Pharmaceutical will not be a donor. There were a number of positive aspects including:

- The Executing Agency, EDMAR, appears to be capable for implementing the project.
- The socio-economic aspects of the proposal are well thought out and described.
- The proposal is technically very interesting.
- The project has a fairly strong extension component.

Recommendations

The Panel felt that the proposal could be strengthened by addressing the following issues:

- a. The sap of the tree is traditionally utilized for medicinal purposes and fetches a high market price. However, the project will establish plantations that will yield bark which will be used instead. The proposal should clarify if adequate research has been carried out to allow for processing bark to obtain the medicine. Also, the proposal should specify on whether there is potential for producing and marketing sap from the plantations.
- b. The Panel felt that the workplan was too ambitious, establishing 150 ha of plantations in the third year with a requirement for 300,000 plants. The Panel believed that this target should be more realistic.
- c. The Panel sought clarification on the financing of the plantations and related activities after the conclusion of the project. Currently, the project proposes that earlier plantations be mortgaged to provide the needed funds. The Panel questioned whether this idea is viable.
- d. The proposal needs to furnish more information regarding the seed source since a large amount will be needed.
- e. More explanation is needed on the silvicultural systems which will be followed.
- f. Clarify the points regarding support from the Shaman Pharmaceutical Company.

Conclusions

The Panel 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 Panel's Comments

Bark/Resin Utilization

The Expert Panel requested the submitting agency to clarify whether the bark or resin from the *Sangre de Grado* (*Croton lechleri*) will be processed and sold from the plantations established by the project. The revised proposal indicates that the resin will be collected, processed and sold.

Targets

The Panel felt that the workplan was too ambitious, establishing 150 ha of plantations in the third year with a requirement for 300,000 plants. The revised proposal explains that the project will utilize the established infrastructure of some existing nurseries developed through previous bilateral efforts to produce plants. The project, therefore, will need to set up only one nursery with a capability of producing 100,000 trees annually. The revision provides more detail on project activities, stating that based on experience, targets are realistic and achievable.

Sustainability

The Panel sought clarification on the financing of the plantations and related activities after the conclusion of the project. The revised proposal states that potential funding sources after ITTO assistance is completed are:

- A reforestation fund established with money obligated by firms harvesting timber from the natural forest.
- Regional government annual investment funds, and possibly
- External funds.

The implementing agency feels that after the plantations have been established and are proven successful, that there should be no problem attracting internal/external financial resources.

Seed Sources

The Expert Panel requested that the proposal furnish more information regarding the seed source since a large amount will be needed. The revised proposal explains that there are no problems with seed sources since seed can be collected not only in the project area, but from the entire Peruvian Amazon as well.

Silviculture

The Expert Panel asked for additional details on the proposed silvicultural systems. The revised proposal provides additional information on the silvicultural system. Two systems are proposed: agroforestry and plantations. *Sangre de Grado* grows straight and has a small crown so it does not cast much shade. This situation allows for dense planting. Agroforestry configurations combine *Sangre de Grado* with high value timber species while open grown plantations will be composed only *Sangre de Grado* planted at a 2.5 x 2.0 m distance.

Shaman Pharmaceutical Company

The Panel requested the proposal to clarify the points regarding support from the Shaman Pharmaceutical Company. The revised proposal explains that Shaman is not a donor, but has carried out research with its own funds on the potential of *Sangre de Grado*. Shaman will provide a professional who will dedicate 20% of his time to provide assistance in the technical, social, biological and economic aspects of the project. The

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revised proposal has included a copy of a communication from Shaman Pharmaceutical Company committing its support to the project.

Budget

The budget of the revised proposal has not changed from that of the original one. However, there are insufficient funds for monitoring and evaluation and for program support costs. Therefore, when the appropriate adjustments are made, the ITTO contribution should be increased from \$285,091 to \$305,078. With the inclusion of the counterpart contribution of \$59,900, the total project cost stands at \$364,978 as opposed to the original \$344,991.

Conclusions of the Fourteenth Committee

The Committee noted that the revised proposal adequately addressed the Expert Panel's comments and recommendations. It felt that this project was particularly creative. Following informal consultations between delegations to clarify the role of Shaman Pharmaceutical, the Committee approved the project and recommended the Council to allocate \$305,000 for its immediate implementation.

7. PD 18/94 Rev.1 (F) Participatory Forest Development in the Alto Mayo Region for the Sustainable Management of Moist Tropical Forests

Summary

This proposal constitutes a follow-on project to build upon the activities initiated under PD 188/91 Rev.1 (F) - **Reforestation in Rioja**. Project implementation began in September 1992 and is due to be completed in September 1994. This proposal covers the Moyobamba and Rioja provinces and intends to counteract the impact of indiscriminate logging and the expansion of the agricultural frontier.

The Alto Mayo region is considered to be one of the ports of entry into the Peruvian Amazon. About 40% of the moist tropical forest has been destroyed or degraded. Soil productivity which is already low to begin with, has declined even further. This situation has exasperated rural poverty and to some degree has been responsible for the proliferation of coca production. Furthermore, timber logging has opened up roads and degraded the forest due to "high grading".

The project will directly benefit about 5,000 families. It should improve the economic situation of the region by increasing agricultural yields as a result of sustainable agroforestry practices. Plantation and forest management should also provide direct economic benefits to rural inhabitants through the future timber sales. The principle outputs and activities include:

- Physical demarcation of boundaries of the Alto Mayo Protection Forest in an area of 182,000 ha and prevent population settlements from occurring within the forest.
- Set-up of a Regional Forest Seed Bank with the production of 200-300 kg/yr of seed.
- Installation of six pilot community forest nurseries with an output of 200,000 plants annually.
- Establishment of 600 ha of plantations and management of natural regeneration in forest areas utilizing agroforestry systems, open field plantations, stream-bed protection plantations and enrichment planting.
- Initiation of a forest management and utilization model on 500 ha of natural forest.

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- Construction of a training-production center for the processing of timber products and the establishment of community forest enterprises.
- An effective awareness campaign on the importance of natural resource conservation oriented towards local populations.
- An increase in productivity rates through the application of improved and validated techniques for sustainable management and utilization of natural forests in the Alto Mayo region.

INRENA will be in charge of the project and will develop activities jointly with local governments, native communities and producer organizations. Some of the project activities will be sustained through the build-up of funds in the Regional Forest Fund (FOREFO). The landowners will contribute 50% of the proceeds of the final harvest to this fund.

Project Compliance with ITTO Requirements

According to the proposal, the project is consistent with objectives (c), (f), and (h) of the 1983 ITTA. It also complies with the criteria found in Article 23, points (a), (b), (c), and (d) of Paragraph 5. The proposal also conforms to the ITTO Action Plan in the Field of Reforestation and Forest Management:

- Identification of field demonstration projects.
- Promotion and funding of demonstration projects for different management models and regional/sub-regional networks of such projects.
- Evaluating the relative economics of natural and plantation forest management, and corresponding environmental impact assessment.

Comments

The Panel noted that the proposed project is a follow-on project to PD 188/91 Rev.1 (F) which will be completed in September 1994. The Panel requested the Secretariat to give an explanation on the progress of PD 188/91 to date. The Secretariat had recently concluded its mid-term review of the project and reported the following:

- The project is being implemented as programmed in the Project Document. The progress reports are very well developed and have been submitted on time.
- A large nursery has been established and has produced seedlings for planting in plantations, agroforestry configuration and ornamental planting.
- A great deal of focus has been placed on extension activities. The participation of the local population has been very high. For example, a nursery was established at one of the technical schools due to the motivation and technical assistance given by the project.
- Only 20 ha out of the total 100 programmed have been established so far, but this situation is a result of the late arrival of funds which delayed nursery establishment and seedling production. As a result, plants were not ready in time for the rainy season and only a limited number of seedlings could be planted.
- The project has the backing of local and regional authorities who have been active in promoting project objectives.
- Through the project's extension component, the local people feel that the project may have helped decrease shifting agriculture, illegal logging and deforestation caused by coca production.

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- The project has set up a forestry fund whereby participants receiving assistance from the project to establish plantations on their land will contribute 50% of the proceeds from the final harvest to the fund. In turn, the fund will be used for continued support of reforestation activities.
- By the end of the project, the Secretariat felt that a solid base would have been established and a high level of community interest generated.

The Panel noted that the proposal is well formulated and written. However, the project appears to have too many activities over a short three-year time period. These activities have merit and when taken together, may have a significant impact on forestry in the region. The Panel also noted that the budget was significantly higher than the predecessor project. The Panel also thought that there should be a more formal linkage between PD 188/91 and the proposed project. Experiences generated from PD 188/91 should be incorporated into the new project.

Given the wide scope of the project, the Panel felt the need for the proposal to be modified by dividing the project into two phases. The activities need to be more focussed and the geographical area should be smaller.

Recommendations

The Panel felt that the proposal might be strengthened by:

- a. Adjusting the number of activities in relation to the project period, and the activities need to be prioritized. The Panel thought that two options might be viable:

Option 1 - Extend the project activities over a longer time period. In this case, the project might have two phases with the current budget levels divided between the two phases. The Panel felt that the overall budget of the project should not significantly increase if the project period were extended to, say, five years.

Option 2 - The project could remain a three-year project but with fewer activities, and a respective decrease in total budget.

The Panel feels that Option 1 would be the most appropriate and gave the following advice:

- (i) There should be a fewer number of nurseries.
 - (ii) A major down-sizing of activities is required, with a more specific focus on one type of activity (e.g. reforestation).
 - (iii) The geographical approach should be reduced to a smaller and more manageable area.
 - (iv) The seed bank should be passed on to the second phase.
- b. The proposal should incorporate lessons learned from the predecessor project into the proposal and state how the proposed project will build upon these experiences.
 - c. The proposal should be reformulated with a substantially reduced budget.
 - c. The Permanent Committee should evaluate this proposal in light of the progress made on PD 188/91 Rev.1 (F).

Conclusions

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

Addressing the Seventh Panel's Comments

Phasing the Project

Given the wide scope of the project, the Panel felt the need for the proposal to be modified by dividing the project into two phases and suggested that perhaps five years might be appropriate. The project has now been divided into two phases, with the first phase lasting for two years and the second phase running for three years.

The Panel felt that the project budget should not significantly increase if the project were extended to a longer time frame. The overall budget for five years remains at about the same level as originally proposed for the three year period.

Scope of Activities

The Panel suggested that the number of activities be decrease and that a greater focus be placed on one type of activity. The submitting agency has reduced the number of activities by eliminating the objective related to the delineation of a 182,000 ha forest and the development of a land use plan for the area. However, the proposal still has five objectives because the one dealing with the establishment of a seed bank and plantations has been divided into two separate objectives.

The proposal's five objectives include:

1. Reversing forest destruction through the establishment of forest plantations.
2. Installing a demonstration module for integrated forest management and harvesting of timber and non-timber products, and the creation of a wood production and technology transfer center for local communities.
3. The development and implementation of an extension plan for forestry and environmental education for communities in the Alto Mayo region.
4. The promotion of applied research in natural forests by setting up research plots and carrying out botanical studies.
5. The establishment of a regional forest seed bank to support forestry projects and programs in the Alta Mayo and Peruvian Amazon regions.

The first four objectives mentioned apply for both phases, with the first phase concentrating on planning and initiating activities. The second phase plans to strengthen and continue activities initiated during the first phase. At the suggestion of the Expert Panel, the objective and activities dealing with the set up and management of a seed bank have been passed on to Phase II. Furthermore, the number of nurseries has been reduced from six to four as also suggested by the Expert Pane.

Although the number of activities has been reduced and there is a greater focus on reforestation, the project still has a wide range of activities dealing with plant production, plantation establishment, applied research in natural forests, training, extension, wood processing and carpentry.

Incorporating Lessons Learned

The Panel recommended that the proposal incorporate lessons learned from the predecessor project and state how the proposed project will build upon these experiences. The revised proposal provides a more in-depth explanation of the extension methodologies employed for plantation establishment during the previous project. This new project will continue and improve upon these methodologies as well as strengthen the process for setting up a revolving reforestation fund. The new project will also use the nursery facilities installed in the former project.

Progress Made in PD 188/91 Rev.1 (F)

The Panel requested the Permanent Committee to evaluate this proposal in light of the progress made on PD 188/91 Rev.1 (F). As mentioned in PCF(XIV)/6, the report on projects in progress, according to the most recent progress report submitted by the implementing agency, PD 188/91 Rev.1 (F) - *Reforestation of Rioja*, about 85% of the project's outputs have been achieved to date. The project is due to be completed in September 1994. Although the mid-term review showed that substantial progress has been made, a final evaluation has yet to be planned and carried out.

Budget

<u>Source</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
ITTO	457,100	837,000	1,294,100
Implementing Agency	182,000	371,000	553,100
Total	639,100	1,208,000	1,847,100

The total contribution by ITTO is a bit lower than originally proposed, and the contribution made by the implementing agency and communities has increased by 182,000. However, the line item allocated for ITTO monitoring and evaluation is underbudgetted and the program support costs have not been calculated correctly. When these are taken into consideration, the ITTO contribution for phase I should stand at \$492,790 and for phase II at \$883,310 for a total adjusted amount of \$1,381,100.

Conclusions

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

Conclusions of the Fourteenth Committee

The Committee noted that the revised proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project and recommended the Council to allocate \$1,381,100 (\$492,790 for Phase I and \$888,310 for Phase II) for its immediate implementation.

8. PD 23/94 Rev.1 (F) Rehabilitation of Fire Affected Forests in East Kalimantan

Summary

The Project is a follow-on to ITTO Project PD 84/90 (F) - *The Establishment of a Demonstration Plot for Rehabilitation of Forests Affected by Fire*, in East Kalimantan. This five-year project aims to:

- Maintain the demonstration plots established under PD 84/90 (F) and continue research on important aspects concerning rehabilitation. A special emphasis will be placed on the impact of silvicultural options on growth and yield,
- Provide training and extension as well as guidance to surrounding forest concessionaires to rehabilitate their fire affected forests. The project will disseminate options based on the results from the demonstration plots.

The activities proposed are, among others:

- Continue activities on infrastructure development including fire breaks, nursery, roads, etc.
- Carry out additional analysis of silvicultural treatments,
- Assess the economic feasibility of alternative rehabilitation techniques,
- Coordinate with local institutions to share experiences gained from the project,
- Prepare guidelines on community participation, and
- Train local government officers and private forest concessionaires through a comprehensive extension program.

Project Compliance with ITTO Requirements

The project is related to Objectives (e), (c), (f) and (h) of the ITTA 1983. It is also consistent with elements (a), (b), (c) of Article 23 paragraphs 5 and 6 and relevant to ITTO Objective Year 2000. This proposal also complies with the strategies in the Field of Reforestation and Forest Management outlined in various elements set forth in the work program of the ITTO Action Plan.

Comments

The Panel recognized that the nature of this proposal is highly relevant to the ITTO's mandate. The proposed activities closely correspond with various areas of ITTO Action Plan. The proposal is well presented following ITTO format, except for the budget which is not broken down by activity group. In particular, the Panel felt that the logical framework was very well laid out. Furthermore, the Panel was pleased to note that the Government of Indonesia has made a very significant contribution of nearly US\$ 600,000.

The Panel believed that the project attempts to make the transition from research to extension. In order to accomplish this, the role and participation of local communities in forest rehabilitation needs to be treated further in the proposal. The Panel questioned on how institutional arrangements within the project would deal with the issue of land tenure. The Panel also discussed the application of rehabilitation practices in forest concessions. Since the forest is owned by the government, there needs to be incentives for the concessionaires in order to adopt the long-term practices promoted by the project.

The Panel felt that the achievements made by PD 84/90 (F) should be reflected in the proposal so that linkages between the projects can be clearly observed. There was some question on whether the technical package developed by PD 84/90 was ready to be utilized in an extension campaign. The Panel also felt that

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certain line items in the budget appeared to be inflated and thought that budget calculations should be provided and a clear justification given for significant expenditures.

Recommendations

The proposal should be revised to include essential elements, as follows:

- a. Explain how the project will address social issues, particularly local community involvement and what might be done to encourage their participation in rehabilitation activities.
- b. Explain in detail on how the project will address the need to interest concessionaires in rehabilitation activities.
- c. Specify how the results from research carried out in this project and its predecessor will be translated into a technical package and included in extension work.
- d. Revise the budget and provide detailed justification for consultants, capital items and other significant expenditures. Breakdown the budget on an annual basis.
- e. Provide a better description of the organizations working in the rehabilitation of forests affected by fire in Indonesia.
- f. Include a description of the environmental aspects, particularly in reference to the regeneration of the lowland dipterocarp forest.
- g. Add the recommendations of the workshop held in February 1994.
- h. Ensure that the Ministry of Forestry, through its other branches, helps to disseminate research results.
- i. Change the project title to *"Rehabilitation of Fire Affected Forests in East Kalimantan"*.

Conclusions

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 Panel's Comments

The revised proposal discusses achievements made under the predecessor project, PD 84/90 (F) as well as some of the shortcomings

Social issues and local community involvement

The revised version ensures that the direct participation of local people through rehabilitation measures which will provide employment, as a result of experiences gained from the on-going project PD 84/90. Representatives from local communities will be involved in project planning and development of guidelines to ensure local people's participation.

The revised proposal describes the current status of the forest land and the project sites and its relationship with the local populations located in this particular area.

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Interest concessionaries in rehabilitation activities

The revised proposal states that the most viable option would be to mobilize the forest concessionaries for this purpose and details the potential role if the concessionaries in forest rehabilitation efforts.

Translation of research to technical package and included in extension work

The proposal describes how the results of research carried out in under PD 84/90 will be utilized in the formulation of an extension program.

Revised Budget

There are discrepancies concerning the duration of the project (3 years or 4 years) when compared to the original proposal. The Government of Indonesia's contribution has been reduced by \$80,000 (\$592,500 in the original proposal compared to the revised figure of \$510,969). A minor mistake occurred on the line of ITTO program support, it should be calculated as 5.5% instead of 5% of the total budget.

Organizations

Organizations involved in the project are dealt with in the revised proposal as recommended by the Panel.

Environmental aspects

The proposal addresses environmental aspects on page 8, focussing on aspects concerning regeneration in lowland dipterocarps forests of Kalimantan.

Recommendation of the workshop held in February/94

Recommendations from the workshop are found in the annex of the revised proposal. The conclusions refer to the achievements made under ITTO Project PD 84/90 and recommends that these efforts be continued.

Project title

The title of the proposal has been modified to be "Rehabilitation of Fire Affected Forest in East Kalimantan" as suggested by the Expert Panel.

Conclusions of the Fourteenth Committee

The Committee noted that the submitting agency has taken steps to address the Panel's comments and recommendations. The Committee sought clarification on the precise duration of the project as related to the proposed budget. The Indonesian Delegation clarified that the duration of the project would be four years and amendments of the cover page of the project document was circulated as PCF(XIV)/18 to conform with text of the Project Document. The Committee was satisfied with the clarifications regarding the project duration, and consequently approved this project and recommended the Council to allocate \$1,010,268 for its immediate implementation.

9. PD 26/94 Rev.1 (F) **Conservation and Sustainable Management of Mangrove Forest Genetic Resources Phase II: Establishment of Four Conservation Centers, Human Resources Development and Preparation of Guidelines for the Sustainable management of Tropical Tidal Forests**

Summary

The project is designed to consolidate the gains of Phase I of the ITTO Project PD 157/91 Rev.2 (F) and to implement the action plan contained in Agenda 21 (UNCED), in the area of coastal biological resources management. The project proposes to facilitate the development of national policies aimed at conservation and sustainable utilization of tropical tidal forests and their genetic resources while maintaining an ecological balance. The project will promote the conservation and sustainable management of mangrove forest genetic resources by carrying out the following:

- Stimulate the development and adoption of policy measures essential for the conservation and sustainable management of mangrove forest genetic resources of the tropical belt,
- Help to ensure environmentally and socially acceptable selection of sites and species for establishment of mangrove forest genetic resources conservation centers,
- Help train a cadre of scientists, policy makers and forest managers in conservation, evaluation and utilization of mangrove forest genetic resources, and
- Develop guidelines for the sustainable management of tropical tidal forests.

The project will lead to the establishment of a global network of selected sites in Indonesia, India, Cameroon and Brazil. Furthermore, it will prepare a training manual and publish guidelines and incorporate these into a trainers' training program within the mangrove conservation centers.

Compliance with ITTO Requirements

The project is related to Objectives (c), (f), and (h) of the ITTA 1983 and potentially with all elements of Article 23 paragraph 5 and 6. This project has the potential of contributing enormously towards the fulfillment of Target 2000. The proposal also complies with the strategy in the Field of Reforestation and Forest Management outlined in many relevant areas of the ITTO Action Plan.

Comments

The Panel noted that the proposal is the follow up of the completed project PD 157/91 Rev.2 (F). The Panel recognized the extreme importance of protecting mangrove forests particularly in light of their ecological function. The proposal follows the ITTO Project format except for the budget section which does not provide a breakdown of expenditures by activity group. The Panel felt that the research should not exclusively be focussed on genetic aspects of mangroves but also be oriented towards practical issues. Research needs to provide answers to more immediate problems regarding the protection and management of mangrove resources.

Since ITTO is supporting a wide variety of mangrove programs, it is important to link research to support activities of operational ITTO supported mangrove projects such as PD 128/91 (Panama), 171/91 (Colombia), 11/92 (JAM) and 6/93 (ISME).

Recommendations

The Panel suggested that the proposal should be revised to incorporate the followings:

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- a. The Panel believed that the genetic research work be placed within a wider context of gene conservation as related to the sustainable management of mangrove resources.
- b. The project should coordinate closely with other on-going mangrove projects to give an emphasis on the conservation and management of mangroves. There should be a formal means for sharing information and defining research priorities with the other projects.
- c. Revise the budget providing detailed justification of the line items. The budget should also be organized as presented in the ITTO Project Formulation Manual.

Addressing the Panel's Comments

Genetic Research

The Panel believed that the genetic research work be placed within a wider context of gene conservation as related to the sustainable management of mangrove resources. The Rev.1 proposal has addressed this need by reworking Objective #4 and supporting activities. The project will now undertake activities in three fields to address the practical aspects of mangrove management. These fields included:

1. Mangrove farming for sustainable management - where systematic studies will be undertaken in a few selected sites to develop a set of indicators for sustainable management. Five management objectives are described in the proposal including preservation for wildlife breeding, regeneration of genetically superior mangrove species and varieties, development of employment opportunities, preservation of areas for research and training and lastly, to maximize the efficiency of mangrove wood to other products.
2. Eco-redevelopment using genetically superior genotypes of mangroves to enhance the rehabilitation of degraded mangrove forests.
3. Mangroves in coastal agroforestry systems - where research will utilize and enhance traditional knowledge and practices to develop techniques of sustainable utilization.

Coordination with other ITTO Mangrove Projects

The Panel suggested that the project coordinate closely with other on-going mangrove projects to give an emphasis on the conservation and management of mangroves and develop a formal means for sharing information. The revised proposal explains that formal linkages with other ITTO projects has already been established through training programs carried out under PD 157/91 Rev.2 (F). Furthermore, the Director of the implementing agency has been a founder and president of ISME (International Society for Mangrove Ecosystems) and maintains close ties to enable a coordination of efforts. Finally, the revised project will sponsor a meeting with project leaders from other ITTO mangrove projects to decide on the precise means for sharing information and defining research priorities.

Budget

The Panel requested that the budget be revised to provide detailed justification of the line items and organized as presented in the ITTO Project Formulation Manual. The revised proposal has a detailed budget as requested by the Panel, and following the format outlined in the Project Formulation Manual. However, budgetary provisions have not been made to cover ITTO support costs. When adding on the 5.5% program support, the ITTO contribution is now increased from \$360,000 to \$379,800.

Conclusions

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The Panel 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.

Conclusions of the Fourteenth Committee

The Committee noted that the revised proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project and recommended the Council to allocate \$379,800 for its immediate implementation.

10. PD 27/94 Rev.1 (F) Women and Tropical Forest Development Program

Summary

This project has two main objectives: 1) to complement the efforts of the Government of Ghana to increase the forest tree cover of the country by an additional 10% of the total land area, and 2) to help sustain the forest resources of the country, including timber and non-timber resources by involving local communities in general and women in particular. It is expected that these objectives could be achieved through the following project activities:

- Establishing a multi-purpose nursery to produce 3,050,000 seedlings of timber, non-timber and fruit trees over three years,
- Distributing seedlings,
- Developing new technologies for processing non-timber forest products,
- Training women participants in nursery practices,
- Disseminating project results through a regional workshop.

Project Compliance with ITTO Requirements

The project meets objective (f) of Article I of the ITTA 1983. It is also consistent with basic strategies (i) and (l) in the field of Reforestation and Forest Management as outlined in the ITTO Plan of Action.

Comments

The Panel recognized the importance of women in forestry, particularly in Ghana, where women are main users of forest resources. However, women have little opportunity to participate in a decision making capacity on how forests are managed. The Panel noted that the project has not been presented according to the ITTO Manual for Project Formulation. Many important elements were missing such as the work plan, the logical framework matrix, precise inputs and outputs, and the project budget is not broken down by activity group.

The Panel was unsure of the project's main objective:

1. The promotion of the participation of women in forest management activities as outlined in the development objectives included in the project document, or

2. The establishment of a multi-purpose nursery as reflected in the project's title, activities and budget.

There was substantial discussion by Panel members as how to proceed with the assessment of this proposal. If the project is to promote the participation of women in the management of forest resources, then the Panel felt that the project's outputs and activities should be very different. The Panel saw the need for the project to utilize a strategy which would promote the development of small nurseries run by women. Furthermore, extension activities would be oriented towards the formation of women's users groups which would be strengthened to become involved in forest management.

If the project is to support reforestation activities, then the objectives would have to be changed to reflect this. The Panel debated the merits of establishing one large nursery as opposed to several small nurseries taking into account the potential contribution of the latter to forest extension activities towards local communities. Small nurseries would also reduce the transportation costs on one hand. On the other, seedlings might be more efficiently produced in a large centralized nursery. The Panel was also concerned about land tenure issues.

It was not clear who would own the plantations and have rights to the benefits the trees will yield. Additional information on the 31st December Women's Movement and its ability to implement the project was needed. The Panel was unsure how this organization would share the responsibility of project implementation with the Forestry Department and how the activities introduced by the project would be sustained.

Recommendations

- a. The project should be revised and presented in a format consistent with the ITTO Manual for Project Formulation. The Forest Department of Ghana could help in that process.
- b. The development objectives and the references to ITTO objectives and the ITTA 1983, should be reviewed. The Executing Agency needs to decide on the project's final objectives and activities. If the development objectives are kept, then the activities need to be changed. If the outputs and activities are maintained, then the development objectives need to be altered accordingly.
- c. The location of the plantations established by the project needs to be decided.
- d. Encourage the investigation of having several small nurseries instead of a single large one.
- e. More information should be provided on the 31st December Women's Movement and its ability to implement the project.
- f. The purpose of plantations to be established should be clarified as well as their ownership and the responsibility of their maintenance.
- g. Clarification should be provided whether the seedlings would be sold or distributed free of charge, and in the first case how the resulting revenue would be used.
- h. The cost of the workshop to be organized, as well as its usefulness should be justified. The Panel thought that the type of project presented does not need the scope of the workshop proposed. In any case, the amount allocated for the workshop is too high.
- i. Provisions should be included in project's activities and budget for seed handling and storage.

Conclusions

The Panel was unsure how to conclude its deliberations on this proposal. Some of the Panel members felt that the development objective was appropriately stated while the outputs and activities were ill defined. Others believed that the outputs and activities were clear and the development objective was misstated. The Panel concluded that the proposal should be forwarded to the Permanent Committee to decide how to proceed with this project. The Panel felt that changes made to the proposal should take into consideration the above comments and recommendations.

Addressing the Seventh Panel's recommendations:

The proposal was substantially revised to respond to the Seventh Panel's comments and recommendations. The objective of the project has been clarified and is now focussed on the promotion of the participation of women in afforestation activities in general, and in particular on the establishment of three nurseries by women, with the technical assistance of the Forestry Department and the initiation of extension activities. Project outputs, activities and inputs have been refined to conform with project's objectives as stated above. With particular reference to the Panel's comments and recommendations, the revised proposal could be assessed as follows:

Project format

The format of the revised proposal is consistent with the format included in the ITTO Manual for Project Formulation. The revised proposal also includes a logical framework matrix outlining project's objectives, outputs and activities and their inputs, indicators as well as the means of verification.

Development objectives of the project and reference to ITTA's objectives

The development objective of the project is now focussed on providing support to community-based and private sector reforestation, with a special reference to the involvement of women. Project outputs and activities have been refined to conform with these objectives. Efforts have been made to relate the project to ITTO's objectives. However, as outlined in the revised proposal these might still be questionable.

Location of the plantations to be established

The revised proposal is no longer concerned with the establishment plantations as such. The establishment of nurseries and the initiation of extension activities are the main concern. Three nurseries will be established: one at Weija, near Accra, to supply planting material for the coastal savannah area; one in Kumassi for the high forest zone and one at Tamale for the guinea savannah. These activities will be complemented by the establishment of three demonstration plots, one in each region, and by the establishment of 350 ha of community forests. The precise location of the demonstration plots and the community forests has not been clarified in the revised proposal.

Several small nurseries vs one single large one

Three nurseries will be established under the project. This option, as against the establishment of several small nurseries to ensure a better coverage and back-up of extension activities has been justified by the necessity to make the best use of scarce technical and managerial skills to be provided by the Forestry Department in order to produce high quality planting stock. However, demonstration trials areas that would be established under the project would provide direct support to extension activities.

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More information on the 31st December Women's Movement (DWM)

More information on the DWM has been provided to clarify its ability to implement the project. In particular some projects successfully implemented by the DWM have been underscored such as the ITTO supported project PD 119/91 Rev. 1 (F) on Women and Forestry (\$221,600); a UNDP supported project on Population, Education and Income Generation for Women (\$365,000) and a project on Women Community development supported by the African Development Bank (\$2,797,581).

Purpose of the plantations, ownership and responsibility for maintenance

As already mentioned, the establishment of plantations is not the major objective of the project. It is now mainly focussed on the establishment of three forest nurseries. However, the revised proposal states that the purpose of the plantations to be established is to offset the shortages of timber and non-timber forest products that may occur as a result of forest degradation in the three ecological zones concerned. An important goal of plantation establishment includes replenishment of tree cover, as a means to reduce soils erosion that has adverse impact on agricultural productivity.

The plantations will be established on land held by the local traditional authority for the benefit of the community on the one hand, and on land leased by timber concessionaires on the other hand. It is felt here that the ownership of plantations still need further clarification, since the land tenure is not clear and plantations might be established by persons/communities who has no direct ownership over the land.

As previously mentioned, plantations establishment is not the main focus of the project. Therefore the problem of plantations maintenance has not been detailed in the revised proposal. With regard to the maintenance of the three nurseries that would be established, the revised document provided that this responsibility would be vested to the DWM.

Clarification on seedlings selling and/or distribution

The revised proposal indicated that 50% of the seedlings would be sold to the private sector and the resulting revenue would be used to cover the costs of nurseries operations. It is expected that the nurseries would be able to break even financially with only 50% of their production. The remaining 50% of the production would be distributed to the communities to support extension activities.

Justification of the cost and usefulness of the sub-regional workshop

The workshop's budget has been maintained at \$250,000. The budget would be based on the experience gained in organizing a similar sub-regional workshop under PD 119/91 Rev.1 (F). The usefulness to conduct the workshop has not been further justified. It has just been mentioned that one of the specific project's objectives is to encourage the involvement of women in West African sub-regional consultation on tropical reforestation.

Provisions for seeds handling and storage

No specific and comprehensive reference was made for seeds handling and storage. However activities such as seeds collection were mentioned. It was also indicated that a store would be constructed in each nursery. Furthermore, it was underscored that the Forestry Department, which has a good experience in plantations establishment, would provide expertise to the DWM in all aspects related to nursery management. Although information on the extent or the capacity of the nurseries to be established was not provided, it is felt that a large quantity of seeds would be involved, but the problem of seeds handling and storage has not been properly addressed.

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As a result of the revisions, the project's budget, especially the ITTO contribution, has been substantially increased from \$638,660 to \$1,194,500. Most of budget items, in the exception of the sub-regional workshop were increased. It could also be mentioned that, although the budget is presented according to the ITTO format, it is less detailed than in the original version, and the break-down of items such as capital equipment (\$285,000), other labor (\$109,200), premises (\$36,000, etc.) was not provided.

Conclusions of the Fourteenth Committee

The Committee expressed its general support for the objective of the project with regard to its potential to promote the participation of women in forestry activities. It also considered that the proposal was substantially revised in response to the comments and recommendations made by the Panel of Experts. The Committee was still concerned with some aspects of project design. The project budget had been substantially increase and was not broken down by activity making it difficult to analyze costs. There were further comments regarding the sustainability of project activities after the conclusion of outside assistance. The Committee also observed that the number of nurseries had been increased and some delegates felt that lower technology nurseries might be more sustainable and efficient in regards to extension activities.

Some delegates also felt that a longer project duration was required to provide a greater opportunity to learn from experiences. The Committee felt that it might be more beneficial to start with one nursery and gradually phase in others as more experience was gained. Some members also expressed their reservations on the relevance of the project to ITTO priorities and the potential of the proposed technical approach to enhance the involvement of women in forestry activities. The Committee decided to constitute a working group in order to help resolve concerns expressed during discussions.

The working group revised the budget and activities, giving greater emphasis on community participation and extension. A working paper formed the basis for incorporating changes into the revised Project Document text. Following additional discussions and further clarification of several issues by the Ghanian Delegation and acceptance of the revised proposal, the Committee recommended that the Council approve the project and allocate \$694,823 for its implementation.

11. PD 28/94 Rev.1 (F) Continuation of the Publication of the Journal "Bosques y Desarrollo" and Organization of a Communication and Information Service

Summary

This proposal is a follow-on project to PD 189/91 Rev.1 (M,F,I) *Publication of an Andean Forestry Journal* which was implemented over an 18 month period from November 1992 to April 1994. During this initial project, six issues of *Bosques y Desarrollo* were published and 6,000 copies of each issue were distributed to people involved in forestry in seven Andean countries: Peru, Bolivia, Ecuador, Venezuela, Chile, Colombia and Argentina. A list of topics published in the Journal (issues 1-8) are found in the appendix along with a critical self analysis done with the participation of the individual country-level editorial boards.

A significant number of initiatives dealing with forest resources have attempted to resolve crucial issues related to sustainable management in the Andean countries. However, there are few opportunities for these countries to share their experiences, both failures and successes, with each other. This project, through the continued publication and distribution of the journal, *Bosques y Desarrollo* will provide an essential forum for exchanging information and disseminating results from projects, training events and research. This follow-on project differs from its predecessor by being more proactive in coordinating the various forestry initiatives through its country level committees. The project will also place a greater focus on the formulation of appropriate policies in the natural resources sector and attempt to reach a greater number of politicians and decision makers. Furthermore, the journal will strengthen articles in Forest Industry and Marketing.

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The principal outputs and activities include:

- Publishing and regional distribution of 8 editions of the journal *Bosques y Desarrollo* with the circulation of 6,000 issues.
- Creating a forest-related information and communication system at the regional level so as to provide a number of services to facilitate the implementation of specific activities by the users in forest resource management.
- Running educational, motivation and coordination campaigns on central aspects of regional significance related to the conservation and management of forest resources.
- Establishing and operating editorial or national coordination committees for the journal in each country.

The project will be implemented by a regional NGO, Asociación de Bosques y Desarrollo. In addition, four committees will be set up. A Regional Steering Committee will be responsible for approving program guidelines and a general action plan for the journal. An Editorial Committee will be established in each country to organize and administer activities as approved by the Regional Steering Committee. A Technical Reading Committee will review articles and make an assessment of their quality in terms of content and format. Finally, a Journalistic Drafting Committee composed of personnel hired in each country will place an operation role in the final production of materials based on the contributions of national specialists.

Project Compliance with ITTO Requirements

According to the proposal, the project is consistent with objectives (b), (c), (d), (f), and (h) of the 1983 ITTA. It also complies with the criteria found in Article 23, Paragraphs 5 and 6. The proposal also conforms to the ITTO Action Plan in the Field of Reforestation and Forest Management:

- Assist producer countries in the development of legislation and national land use policies for permanent forest estates and help in accelerating their establishment.
- Promote the exchange of information and experience through the establishment of networks.

Comments

The Panel noted that this is a continuation of PD 189/91 Rev.1 (F) which was implemented from November 1992 to April 1994. During this period, the project published six issues with a distribution of 6,000 copies for each edition. The Panel saw that the proposal is well presented, following the ITTO project proposal format, and the budget has been organized to reflect outputs. In addition to continuing the publication of the journal, the follow-on proposal is more pro-active with three additional outputs. The Panel also observed that the list of topics is presented for past publications in the annex, and the range of articles appears to be well balanced.

The Panel noted that the self-critical analysis was not thorough and that an external evaluation would have been more useful. The Panel also felt that there is a large number of committees with perhaps some overlap in responsibilities. The Panel felt that the number of committees might be reduced, and the roles combined.

The Panel also questioned on whether the additional outputs were supportive of the journal and its work. These activities contribute towards the high cost of the project. Panel members mentioned that comparable journals are produced on a much lower budget. In addition, the budget needs to be clarified. The Panel believes that some of the costs, such as some of the personnel might be part of the national contributions. Furthermore, the Panel noted that the proposal did not contain a marketing plan for self-financing and doubted that the publication of the journal would be sustainable. The Panel also questioned on whether there are contributions from other sources, noting that there is a need to be more transparent in income and expenditures. Finally, travelling costs were not included in the budget. The Panel felt that the project should be able to reduce costs based on past experience and established infrastructure.

Recommendations

The Panel felt that the project could be strengthened by:

- a. Substantially reduce project costs, perhaps by eliminating the other project components and concentrating on the publication of the journal.
- b. Provide a financial analysis of production costs.
- c. Revise the budget and state specifically all sources of income, and how the money will be used. If possible, significant additional contributions from national and perhaps other sources should be identified.
- d. Reduce the number of committees and give a specific terms of reference for each.
- e. Include a marketing strategy/plan for self-financing.

Conclusions

The Panel 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 Panel's Comments

Costs and Budget

The Panel suggested that project costs be reduced, perhaps by eliminating some of the other project components and concentrating on the publication of the journal. The budget in the revised proposal has been reduced by close to 50%. The breakdown in budget shows that costs are oriented towards the production and distribution of the journal.

The Panel also requested a financial analysis of the journal's production costs. Annex 3 of the revised proposal gives a complete breakdown of production costs for each issue of the journal.

The Panel asked that the revised budget and state specifically all sources of income, and how the money will be used. The Panel also felt that additional contributions from national and perhaps other sources be identified. Annex 2 of the revised proposal identifies other sources of income from subscriptions, advertising and sales, providing specific amounts of income. Annex 2 also identifies other additional sources of income from organizations operating in the area. The revised proposal estimates an additional \$128,000 might be obtained from these sources.

Committees

The Panel felt that the number of committees should be reduced and the revised proposal should give a specific terms of reference for each. As illustrated on Page 15 of the revised proposal (Spanish version), the number of committees has been reduced from four to two: a Steering Committee and a National Editorial Committee. A terms of reference for each of these committees has been furnished.

Marketing Strategy

The Panel requested that the revised proposal include a marketing strategy/plan for self-financing. Annex 1 details a seven-step action plan for self-financing that includes:

1. Raising the number of subscriptions.
2. Increasing sales.
3. Promoting announcements and advertisements.
4. Improving the public image.
5. Lowering costs.
6. Improving planning/organization.
7. Development of unique measures for securing self-financing.

The revised proposal has also provided a self evaluation of the former project, PD 189/91 Rev.1 (F). Annexes 8 and 9 show a questionnaire survey that was sent out to journal readers and analyzed.

Conclusions of the Fourteenth Committee

The Committee recalled its discussion on the predecessor project, PD 189/91 earlier in the week. The Committee also noted that the revised proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project and recommended the Council to allocate \$287,804 for its immediate implementation.

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

Summary

This four-day seminar and study tour aims to:

- Assist in developing and improving environmental impact assessment for evaluating the consequences of different forest management techniques on biodiversity conservation,
- Help improve techniques for identifying and managing forest reserves for genetic resources conservation, with particular focus on commercial tree genetic resource conservation, and
- Discuss ways to resolve conflicts between land and forest management for biodiversity conservation and timber production.

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A total of 50 participants will be drawn from ITTO member countries and related UN organizations who are either professional foresters or researchers. The Seminar will take place in Miyazaki, Kyushu Island preceded by an observation tour to forest reserves in Miyakonojo and Kajiki districts, and Kirishima National Park. Five speakers will be invited to give presentations on forest planning, natural park management, and nature conservation including commercial tree genetic conservation. A rapporteur and chairman will also be invited to facilitate the seminar and study tour and to finalize the report.

Project Compliance with ITTO Requirements

The proposal is related to objective (h) of the ITTA. It is particularly relevant to ITTO's guidelines on the conservation of biological diversity in tropical production forests more specifically genetic diversity conservation. This is also complementary to UNEP's convention on biological diversity.

Comments

The Panel noted that ITTO's format was not followed by the proposal, however, the very detailed budget (passed out as an annex) helps illuminate activities. The Panel recognized that genetic resource conservation is highly relevant to ITTO, and a great deal of interest in biodiversity has been generated. The Panel observed that biodiversity monitoring is not specifically addressed in the proposal. The project should emphasize comparative experiences of biodiversity which are applicable to tropical forests even though the study tour is taking place in a temperate environment.

Experiences from previous events of this type show that it is necessary to select participants with a relevant technical background to facilitate discussions and draw conclusions. There is also a need for some type of formal evaluation process. The Panel noted that tree species conservation is to be stressed and therefore felt that the title of the project should be changed to reflect this focus.

Recommendation

In order to strengthen the proposal and improve chances for approval, the Panel recommended that:

- a. The title be modified to *"Biodiversity in Natural Forests: Seminar and Study Tour for the Conservation of Forest Tree Species in Miyazaki"*.
- b. Presentations should focus on issues compatible with both temperate and tropical forests. This should be kept in mind when selecting speakers.
- c. The participants of the workshop should have an appropriate technical background.
- d. Discussions on research application of the ITTO Biodiversity Guidelines should be included in the seminar.

Conclusions

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 Panel's Comments

Format

The Panel noted that ITTO's format was not followed by the proposal. The revised proposal has been rewritten, following most of the elements found in the format utilized in ITTO's Project Formulation Manual.

Title

The Panel suggested that the title be modified to "*Biodiversity in Natural Forests: Seminar and Study Tour for the Conservation of Forest Tree Species in Miyazaki*". The project retains its original title.

Presentations

The Panel felt that presentations should focus on issues compatible with both temperate and tropical forests, and therefore, should be kept in mind when selecting speakers. The revised proposal explains how the various topics to be discussed will deal with common biodiversity issues between temperate and tropical forests.

Participants

The Panel mentioned that participants of the workshop should have an appropriate technical background. The revised proposal states that the seminar is of primary interest to participants who are responsible for biodiversity conservation in forest management, particularly gene resources management.

ITTO Biodiversity Guidelines

The Panel believed that the project should include discussions on the application of the ITTO Biodiversity Guidelines. On page 7, under Activity 2, the revised proposal states that the application of ITTO guidelines on the conservation of biological diversity in tropical production forests will be discussed.

Budget

The budget has been increased from a total of \$240,000 to \$273,500. The ITTO contribution has been raised from \$120,000 to 141,500.

Conclusions of the Fourteenth Committee

The Committee discussed several issues concerning the design of this project. There was considerable discussion regarding how well the revised proposal followed the project format, particularly the logical framework matrix and the time line. Therefore, a small working group was formed composed of the delegates from Brazil, Japan, Switzerland and Denmark. The working group drafted an addendum circulated in the Committee as PCF(XIV)/21. This addendum increased the project duration from four days to one year to allow for adequate preparation and documentation of the seminar. Furthermore, a revised logical framework matrix and revised timetable for project implementation were drawn up. The Committee accepted the addendum, and recommended the Council to approve the project and allocate \$141,500 for its implementation.

13. PD 31/94 Rev.1 (F) Planning Practical and Cost-Effective Strategies for Genetic-Resource Conservation of Commercial Tree Species in Tropical Asia

Summary

Many countries in tropical Asia are confronted with serious problems of forest degradation and associated loss of genetic resources. To cope with this situation, many countries have initiated efforts in reforestation and have designated forest reserves and national parks. However, despite national and international efforts, the extent and quality of populations of primary commercial tree species in the tropical production forests are diminishing. This trend will lead to difficulties in securing breeding populations and planting stock for sustained production of valuable wood. To correct this situation, it is necessary to identify and set aside *in situ* preservation stands and establish *ex situ* stands of good genotypes.

This project aims to develop practical and effective strategies to conserve genetic resources of primary tree species in families such as *Dipterocarpaceae* and *Leguminosae* in the tropical Asian region. The project will utilize existing information and expertise to support the planning and implementation of measures to conserve genetic resources of these species in participating countries.

Three outputs are envisioned:

- Developing practical and effective guidelines, documented in a manual for the establishment and management of *in situ* conservation stands of selected species,
- Developing practical and effective guidelines, also documented in a manual for the establishment and management of *ex situ* conservation stands of selected species, and
- Developing operational plans as an example for conserving genetic resources of selected commercially important tree species in cooperating countries.

Project Compliance with ITTO Requirements

The Project is related to Objectives (c), (f) and (h) of the ITTA and various elements outlined in the ITTO guidelines particularly the ITTO Guidelines on the Conservation of Biological Diversity in Tropical Production Forests.

Comments

The Panel recognized that the proposal is relevant to ITTO's core objectives and priorities and that it could potentially make a contribution towards biodiversity conservation. However, the Panel noted that the proposal did not follow the ITTO format for project formulation. Moreover, the proposal needs to update the information noting that the ITTO Biodiversity Guidelines is no longer a draft document, having been approved by the ITTC in November 1992.

The Panel was not clear how the guidelines and manual would be drafted. The literature needs to be reviewed to take advantage of the experiences of other organizations in genetic resource conservation. Furthermore, there is a need to review the status of genetic resource conservation in the participating countries because some may have already taken action. The Panel also noted that a more systematic presentation of the objectives, outputs and activities needs to be presented in the proposal.

There was also considerable discussion concerning the possible work of FAO in this field. The Panel felt it important to prevent the duplication of efforts. An international seminar for the conservation of genetic resources is being planned by FAO, possibly for 1996.

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Recommendations

The Proposal should be strengthened by:

- a. Reformulating the proposal to follow the ITTO format.
- b. Update the information regarding its reference to the ITTO Guidelines for the Conservation of Biodiversity in Tropical Production Forests.
- c. Clarify the process for drafting the guidelines and manual.
- d. Specify the location for the workshop keeping in mind that it is more economical to hold it in a producer country.
- e. Ensure that members of the Steering Committee possess the necessary expertise in genetic resource conservation.
- f. Provide a breakdown of budget by year.

Conclusions

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 Panel's Comments

Format

The revised proposal now conforms more closely with ITTO Format compare to the original proposal.

Information about biodiversity

Additional information was provided on in situ conservation efforts.

Process for drafting the guidelines and manuals

The proposal now explains the process of drafting the guidelines on pages 16-17.

Location of the workshop

Regarding the location of the workshop, the revised proposal states that the workshop will be held in one of the participating countries for three days for each session.

Members of the Steering Committee

The proposal specifies that six international experts plus a specialist in the field of genetic resources from participating countries will be included as members of the Steering Committee.

Breakdown of the budget by year

Yearly project budget has been formulated in page 27 and the consolidated budget lines are found on pages 25-26.

Conclusions of the Fourteenth Committee

The Committee noted that the revised proposal had been well developed following the ITTO format. The Malaysian Delegation was concerned that the Malaysian Government was not adequately consulted to be one of the participating countries in the project. Due to their difficulties in providing counterpart staff, and the similarity to initiatives with other donors, the Malaysian Delegation felt that their government was unable to participate in the project.

The Committee discussed the revised proposal, noting that many new elements had been introduced, and some reservations were expressed about the project going forward. However, the Delegations of Indonesia and the Philippines expressed their support for the proposal and their willingness to participate in the project. Furthermore, many delegations felt that this type of project was valuable and related to the Decision of the XV Council Session pertaining to Biotechnology. Followed by consultations between the Delegations of Malaysia and Japan, the Committee recommended that the Council approve \$992,017 for its immediate implementation.

14. PPD 3/94 Rev.1 (F) Studies and Diagnosis of the Actual Forest Production in the Province of Darien Within a Framework of Sustainable Forest Resource Management

Summary

The Province of Darien contains the most extensive tract of lowland tropical forest on the Pacific watershed of Meso-America stretching for approximately 250 kilometers between the outskirts of Panama City to the border of Colombia. Its unique geographical status as the terminus of the Central American Isthmus and land bridge connection with South America has given rise over evolutionary time to the exchange of a highly diverse flora and fauna between continents. To date however, there is no available information regarding the composition of the forest especially in relation to stocks of commercially valuable species, their regeneration and their growth dynamics. The complex ecology of its various forest associations still remain a mystery to science.

Uncontrolled colonization is rapidly eliminating all lowland forest in the Darien Province. Without demarcated protected forest lands and zones set aside for sustainable forestry practices, this trend will continue. Logging concessions are granted but resources are not available for INRENARE, the governmental natural resources institute, to manage the concessions during actual logging. After logging, the remanent forest does not receive any type of rational management and colonists often continue the process of deforestation.

During the course of this Pre-project, ANCON and its partners hope to stress the importance of sustainable forest yields across the province and contribute to the research of area forest species, potential growth rates and commercial values. Specifically, this Pre-project aims to evaluate, compile and analyze information regarding the actual situation of forestry production in the Province of Darien and to develop a proposal to create actual zones in which sustainable forestry can take place in the Province of Darien. It will include technical criteria, concessions and licensing systems, control mechanism and training.

Project Compliance with ITTO Requirements

The Project is related to Objectives (c), (f) and (h) of the ITTA, and is potentially related to all the areas (a), (b), (c), (d) and (e) of Article 23.5 of the Agreement. The proposal is also related to items (2), (3), and (4) of the ITTO Action Plan in the field of Reforestation and Forest Management.

Comments

The Panel noted that the proposal follows the ITTO proposal format. The Panel believed that the proposal is technically well developed. However, the Panel questioned why the pre-project was being presented at this point in time when some much work had already been done to develop PD 35/93 Rev.3 (F). Furthermore, the Panel noted that portions of the text between the two proposals was the same. The Panel noted that the relationship between the pre-project and PD 35/93 Rev.3 (F) was not explained in the proposal.

The Panel observed that while PD 35/93 Rev.3 (F) proposes to work in a very specific area of the Darién, it may provide valuable experiences related to the proposed pre-project. The Panel believed that the activities between the pre-project could either coordinate closely with PD 35/93 Rev.3 (F) or the pre-project's activities might be integrated within PD 35/93 Rev.3 (F). However, the Panel noted that if the latter approach were taken, then PD 35/93 Rev.3 (F) would have to be revised again. The Panel felt that PD 35/93 Rev.3 (F) had already gone through enough revisions and was already well developed. Regardless of the approach, the Panel felt that a close collaboration between projects could result in cost savings in completing pre-project activities.

Recommendations

The Panel felt that the pre-project proposal should be revised taking into consideration the following points:

- a. Provide a clearer description and justification of inputs.
- b. Give more detail on budget calculations showing where cost savings might be obtained either through coordination/integration with PD 35/93 Rev.3 (F).
- c. Clarify the role and responsibilities of partner organizations: INRENARE and CATIE.

Conclusions

The Panel 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

Addressing the Panel's Comments

Justification of Inputs

The Panel requested the implementing agency to provide a clearer description and justification of inputs. On pages 8 and 9 of the revised pre-project proposal, a break down is given regarding consultant use, transportation and materials.

The Panel also requested the implementing agency to give more detail on budget calculations showing where cost savings might be obtained either through coordination/integration with PD 35/93 Rev.3 (F). On page 8 of the proposal, reference is made to the coordination between the project, PD 35/93 Rev.3 (F) and the proposed pre-project. The proposal states that the budget has been decreased to reflect the sharing of resources

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between the project and pre-project. The overall budget has been decreased from US\$ 150,000 to \$128,000. The contribution requested from ITTO has been reduced from \$100,000 to \$78,000 while the amount provided by the implementing agency has remained the same at \$50,000. Although the 5.5% ITTO support costs have been included in this one-year pre-project, the budget does not have a line-item for monitoring and evaluation. If \$4,000 were included for monitoring and evaluation, the total ITTO contribution would be \$82,818.

Institutional Arrangements

The Expert Panel felt that a clarification of the role and responsibilities of partner organizations, INRENARE and CATIE (Tropical Agronomic Center for Investigation and Education) was needed. On page 9 and 12 the revised proposal discusses institutional relationships and clarified the role of CATIE, more detail is not provided on INRENARE's role.

Conclusions of the Fourteenth Committee

The Committee noted that the revised pre-project proposal adequately addressed the Expert Panel's comments and recommendations. Therefore, the Committee approved the project and recommended the Council to allocate \$82,818 for its immediate implementation.
Permanent Committee for final appraisal.

APPENDIX

TABLE A

TECHNICAL EVALUATION OF PROJECT AND PRE-PROJECT PROPOSALS
IN THE FIELD OF REFORESTATION AND FOREST MANAGEMENT
CONSIDERED DURING THE FOURTEENTH 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 33/92 Rev.2	c,f,h	R & D	a,b,d,e	all	1,459,350	5	Cameroon	3
PD 33/93 Rev.1	b,c,d,f	R & D	b,c,d	a,b,c,d,e	2,521,450 (total) 1,591,500 (Phase I - 3Y) 929,930 (Phase II - 2Y)	5	Bolivia	2
PD 35/93 Rev.4	c,f,h	Demonstration		all	1,230,648 (total) 656,998 (Phase I) 664,650 (Phase II)	3	Panama	2
PD 4/94 Rev.1	f	Facilitation	a,b,d,e		261,000	2	Papua New Guinea	3
PD 8/94 Rev.1	f,h	Promotion	a,b,e	a,b,c,d,e	77,015	5	Ghana	2
PD 16/94 Rev.1	f,h	Demonstration	a,b,d,e	all	305,078	3	Peru	3
PD 18/94 Rev.1	c,f,h	Promotion	a,b,c,d	all	1,381,100 (total) 492,790 (Phase I) 888,310 (Phase II)	5	Peru	3
PD 23/94 Rev.1	c,e,f,h	Demonstration	a,b,c	a,b,c	1,010,268	3	Indonesia	3
PD 26/94 Rev.1	c,f,h	Guidelines	all	all	379,800	2	India	3
PD 27/94 Rev.2	f	Promotion	a,b,d,e	a,b,c,d,e	695,923	4	Ghana	3
PD 28/94 Rev.1	b,c,d,f,h	Promotion	all	all	289,674	2	Peru	3
PD 29/94 Rev.2	h	Promotion	all	all	141,500	1	Japan	2
PD 31/94 Rev.1	c,f,h	Guidelines	all	all	992,017	3	Japan	3
PPD 3/94 Rev.1	c,f,h	Diagnosis	a,b,c,d,e	all	82,818	1	Panama	3

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

TABLE B

**TECHNICAL EVALUATION OF PROJECT AND PRE-PROJECT PROPOSALS
IN THE FIELD OF REFORESTATION AND FOREST MANAGEMENT
EVALUATED BY THE EXPERT PANEL BUT NOT CONSIDERED BY THE FOURTEENTH 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 22/93 Rev.1	f,h				759,300 (Phase I) 600,800 (Phase II)	5	Cameroon	4
PD 23/93 Rev.1	c,f,h	Demonstration	all	all	2,750,000	2	Malaysia	3
PD 1/94	c,e,g,h	Promotion		b,d,e	1,074,840	3	Thailand	6
PD 2/94	c,f,h			b,d,e	1,119,630	3	Peru	4
PD 3/94	c,f,h			a,d,e	1,403,400	3	Peru	4
PD 9/94	f,c			b,d,e	447,170	3	Peru	5
PD 10/94	f,h			b,d	412,200	3	Peru	5
PD 11/94	c,h,f			a,d,e	395,000 (Phase I) 795,000 (Phase II)	4	Peru	5
PD 12/94	b,f,h			b,d,e	750,000	3	Peru	5
PD 13/94	c,f,h			a,b,d	469,620	3	Peru	4
PD 14/94	b,f,h			b,d,e	340,000	2	Peru	6
PD 15/94	b,f,h			b,d,e	739,200	3	Peru	5
PD 17/94	c,f,h			a,b,c,d,e	943,000	3	Peru	5
PD 32/94	c,e	Demonstration	a,b,c	a,b,d	759,420	3	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.
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16 - 23 May 1993
Cartagena de Indias, Columbia

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

Table of Contents

Report

Appendix I

Fellowships and Grants Approved

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REPORT

1. Introduction

The Fourteenth Session was opened on 16 May 1994 by Franklin C. Moore (United States), the Chairman of the Committee. The list of Participants is reproduced in Document ITTC(XVI)/Info.2.Rev.1.

2. Adoption of Agenda and Organization of Work

At its first meeting on 16 May 1994 the Committee adopted the agenda of its Fourteenth Session as contained in Document PCI(XIV)/1.

3. Admission of Observers

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

4. Report on Completed Projects

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

PD 13/92 (I) First Timber Industrialists Meeting in Central America

PD 137/91 Rev.2 (I) Strategy for a Sustainable Wood Industry Sector in Ecuador

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(XIV)/3.

5. Report on Project Work in Progress

The Committee reviewed the work underway in twenty-four ITTO approved and financed projects in the field of Forest Industry. The full report on project work in progress is reproduced in document PCI(XIV)/4 Rev.1.

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

PD 3.a/87 Rev.2 (I): Enhancing Locally the Value of Lesser Known Species (Manufacture of Blockboards from Lesser Known Species in Cameroon)

PD 4/87 Rev.1 (I): Training in Planning and Management of Forest Industries in Developing Countries

PD 12/87 (I): Research on Utilization of Tropical Timber in Construction

PD 47/88 Rev. 2 (I): Utilization of Lesser Used Species as Alternative Raw Materials for Forest-Based Industries

PD 60/89 (M,F,I): Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development

PD 63/89 Rev.1 (I): Low-Cost Houses from Small-Diameter Trees, Plantation Thinnings and Tree Tops and Branches

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

PD 94/90 Rev.3 (I): The Integration of Forest-Based Development in the Western Amazon - Phase II - Technology for Sustainable Utilization of Raw Forest Materials

PD 102/90 (I): Development of Waferboard Products from Potential Tropical Wood Species for Building Pre-Fabricated Houses

PD 107/90 (I): Strategies for Sustainable Wood Industries in Sarawak

PD 108/90 Rev.1 (I): Forest Industry Development Studies

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- PD 109/90 Rev.4 (I): Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Cote d'Ivoire
- PD 133/91 Rev.1 (I): Technological and Dendrological Study on Schinopsis (Anacardiaceae) in Chiquitania and the Bolivian Chaco
- PD 143/91 Rev.2 (I): Non-Wood Tropical Forest Products: Processing, Trade and Collection
- PD 150/91 Rev.1 (I): Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Sub-Region
- PD 152/91 Rev.1 (I): Harmonization of Technical Tropical Timber Standards in the Andean Sub-Region
- PD 154/91 Rev.2 (I): Integrated Development of Timber and Timber Products Marketing Structure in Ecuador
- PD 155/91 Rev.2 (I): Seminar on Sustained Forest Industry Development in the Andean Group Countries
- PD 179/91 Rev.1 (I): Industrial Utilization and Improved Marketing of Some Ghanaian Lesser-Used Species from Sustainably Managed Forests
- PD 209/91 Rev.2 (I): Study of Zairian Timber with a View to Promoting Certain Species
- PD 20/92 Rev.1 (I): The Identification, Properties and Uses of the Tropical Timber Imported t o China from Africa
- PD 46/92 (I): World Conference on Tropical Plywood in the Latin America/ Caribbean Region
- PD 17/92 Rev.4 (I): Technology Transfer/Commercialization of Selected Cocowood Utilization Technologies
- PD 1/93 Rev. 1
(M,F,I): ITTO Fellowship Program - Phase II
- PD 17/93 Rev.3
(M,F,I): ITTO Network for Information Sharing and Project Support

The Committee reviewed in more detail progress in the implementation of project PD 17/93 Rev.3 (M,F,I). The Committee was informed by the ITTO secretariat that the approved budget for the newsletter component was insufficient to hire a P-4 level newsletter editor/coordinator in Yokohama. The Committee considered several options to solve the problem and agreed to recommend to Council an increase in the project budget by the amount of US \$287,300 (\$154,700 for Phase I and \$132,600 for Phase II).

The Committee also considered in further detail the implementation of project PD 94/90 Rev.3 (I). Endorsing comments made by the delegate from Switzerland, the Committee urged the implementing agency (FUNTAC) and other relevant agencies in Brazil to take the necessary action to complete the legal process to establish the Antimari State Forest. Switzerland noted that if this action is not completed in a reasonable time, it may reconsider its support to the project. While noting the statement from the Brazilian delegation on progress on this matter, the Committee agreed that the Antimari Forest Management Plan cannot be implemented if the land tenure problem persists.

The Brazilian government further informed the Committee that consultations will be undertaken between the Brazilian federal and Acre state governments and an official position will be brought to the attention of the Committee at its next session.

6. Consideration of Project Proposals

The Committee noted that seven project proposals had been evaluated by the Panel of Experts and had been in its agenda for consideration after being evaluated by the panel of experts for technical appraisal of project proposals and were included in its agenda for consideration:

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PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 7/94 (M,I)	Information and Technical Assistance for Production and Trade on Tropical Timber	Government of Brazil
PD 19/93 Rev.2 (I)	Establishment of a Common Service Facility and Training Center for Rubberwood Processing	Government of Philippines
PD 20/94 (I)	Development and Extension on the Rubberwood Processing Technology	Government of People's Republic of China
PD 21/94 (I)	Manpower Development of Sarawak Forest Sector	Government of Malaysia
PD 30/94 (I)	Value-Added Utilization of Tropical Timbers of Fast Growing Non-Coniferous Species	Government of Japan
PD 33/94 (M,I)	Improvement in the Quality, Efficiency and Competitiveness of the Forest Industry from the Central American Region	Government of Panama
PD 36/94 (I)	Establishment of a Community-Based Forest Enterprise	Government of Philippines

The Committee was informed by the respective submitting countries that, taking into account the expert panel recommendations, five projects (PD 19/93 Rev.2 (I), PD 21/94 (I), PD 30/94 (I), PD 33/94 (M,I), and PD 36/94 (I)) are being revised by the proponents and will eventually be resubmitted for consideration in future sessions.

A sixth project proposal [PD 20/94 (I)] Development and Extension on the Rubberwood Processing Technology), presented by the Government of the People's Republic of China was withdrawn with a request for the Committee to consider and decide on the implementation of pre-project activities designed to reassess and reformulate the project document. The Committee agreed with the proposal and its decision on the issue is included in item 9 of this project.

The project PD 7/94 (M,I) Information and Technical Assistance for Production and Trade on Tropical Timber was not discussed because the Government of Brazil previously informed the ITTO secretariat of its decision to withdraw the proposal.

7. Report on Completed Pre-Projects

The Committee took note of the report on the completed pre-project studies:

- (i) MANPOWER DEVELOPMENT OF THE SARAWAK FOREST SECTOR [PPR 30/94 (I)]
- (ii) DEVELOPMENT WORK TO PHASE OUT TRADE OF UNSUSTAINABLY PRODUCED TIMBER:
1 - ASSESSMENT OF FUTURE MAHOGANY SUPPLY AND ALTERNATIVE INDUSTRIAL OPERATIONS FOR SUSTAINABLE PRODUCTION
[PPR 29/93 (I)]

The Committee expressed its satisfaction with the work carried out under the pre-project designed to assist manpower development in the Sarawak Forest Service, and expressed its gratitude to the implementing agency, the Sarawak (Malaysia) Forest Department. The Committee instructed the ITTO Secretariat to make the pre-project report available to interested parties.

The Committee held a comprehensive discussion on the results of the mahogany pre-project, which were presented by the representative of the implementing agency (FUNATURA) and the coordinating agency (IBAMA). The Committee commended the work carried out under the study, which contributed to a better understanding and knowledge of mahogany forest resources, silviculture, regeneration, industrial production and processing as well as marketing.

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Noting and considering detailed comments by the Brazilian delegates and other Members on the pre-project recommendations, the Committee agreed that FUNATURA would be given some time to consider revisions to the pre-project report in light of the additional information provided by IBAMA and other delegations. Upon resumption of discussions FUNATURA informed the Committee that it will revise the report to delete the study recommendations. The Committee also agreed that the Brazilian statement on the pre-project should be included in the report, with an annex informing on current rates of deforestation.

The Committee instructed the ITTO Secretariat to make available the revised report to 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) Institutional Strengthening of IBAMA'S Forest Products Laboratory
- (ii) The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja, Ecuador
- (iii) 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
- (iv) Pre-Feasibility Study on Harmonization of Tropical Plywood Standards [PPD 5/91 (I)]
- (v) Sustainable Development of the Plywood Industry in Latin America [PPD 2/92 Rev.1 (I)]
- (vi) Creation of a Center for the Promotion of Lesser-Known Species in Europe [PPD 8/92 Rev.2 (I)]
- (vii) Reviewing and Preparing Supporting Documents for Work on Guidelines for Sustainable Development of Forest Industries [PPD 11/92 (I)]
- (viii) Expansion of the Production Capability of Small-Medium Scale Furniture Manufacturers for the Purpose of Increasing Malaysia's Exports of Value-Added Timber Products [PPD 9/93 Rev.2 (I)]
- (ix) Technical and Economic Feasibility of Large-Scale Construction of Wooden House in Brazil

9. Decision on Pre-Project Work

The Committee decided to 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\$ 100,000 to finance a meeting of a Panel of Experts to be convened to consider the first draft Guidelines for Sustainable Development of Forest Industries prepared by consultants. This budget has been estimated considering that the Panel will meet with 6 representatives each of producers and consumers, and one representative from trade NGOs, one from conservation NGOs, and one representative of a relevant United Nations organization. The Panel will consider and review the consultants' report and prepare a revised draft for further consideration by the Committee.

The Committee considered a pre-project entitled "Development and Extension on the Rubberwood Processing Technology", presented by the Government of the People's Republic of China. The Committee noted that the proposal followed up on the recommendation of the Expert Panel for Technical Appraisal of Project Proposals which considered that such pre-project work was necessary to allow proper reassessment and eventual reformulation of a project proposal on rubberwood presented by the Chinese government. The Committee agreed that the proposed work is simple and relevant and decided to approve its implementation. The full text of the approved pre-project study is contained in document PPD 6/94 Rev.1.

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

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

Mr. Franklin Moore
Mr. Jean Williams Sollo
Mr. Enrique Toledo
Mr. Michael Martin
Dato' Ismail Awang
Mr. Derk de Groot

The Selection Committee considered a total of 111 applications and recommended to the Permanent Committee that 33 be approved, subject to the availability of donor finance, at a total cost of approximately \$243,000. In addition the Selection Committee exceptionally approved two extensions with supplementary awards for two existing Fellowship-holders to alleviate financial difficulties which had arisen due to force majeure situations. The applications approved are listed in Appendix I.

11. Dates and Venue of the Sixteenth Session

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

12. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations to the ITTC:

(1) That the following project proposals be revised before further consideration:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
(i) PD 19/93 Rev.2 (I)	Establishment of a Common Service Facility and Training Center for Rubberwood Processing	Government of Philippines
(ii) PD 21/94 (I)	Manpower Development of Sarawak Forest Sector	Government of Malaysia
(iii) PD 30/94 (I)	Value-Added Utilization of Tropical Timbers of Fast Growing Non-Coniferous Species	Government of Japan
(iv) PD 33/94 (M,I)	Improvement in the Quality, Efficiency and Competitiveness of the Forest Industry from the Central American Region	Government of Panama
(v) PD 36/94 (I)	Establishment of a Community-Based Forest Enterprise	Government of Philippines

2. To make a supplementary allocation of US\$ 287,300 to meet increases in the revised budget of project PD 17/93 Rev.3 (M,F,I) Phase I.
3. To provide funds for the approved pre-project entitled "Development and Extension on the Rubberwood Processing Technology" (US \$26,375).
4. To provide the funds to increase by US \$100,000 the budget of approved pre-project "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 35/92 (I): Vocational Training Center for the Forest Industry - Timber, Furniture Industries and Environment in the Amazonian Region (\$1,354,967)

PD 1/93 (M,F,I): ITTO Fellowship Programme - Phase II (\$480,046.11)

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PD 17/93 Rev.3 (M,F,I) Phase II:	Network for Information Sharing and Project Support - Phase II (\$913,000)
PD 4/87 Rev.1 (I) suppl:	Training in Planning and Management of Forest Industries in Developing Countries (US\$ 205,065)
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)
PD 39/93 Rev. 2(I):	Research and Development in Energy alternative from Biomass (Wood and Agricultural Residues) Through Briquetting, Gasification and Direct Combustion (US\$ 320,017)

13. Global Development of the Rubberwood Industry

A presentation on this ITTO-sponsored project was presented to the Committee by ITC where the significant development potential of this sustainable resource was highlighted.

Several delegations expressed strong interest in the project. It was concluded that the producing countries have extensive requirements of technical assistance which can be met, to a large extent, through South-South cooperation. Generic market promotion was considered a priority. In this context a comment was made that generic market promotion projects would be appropriate for submission to the Common Fund for Commodities.

ITC was commended for its initiative and for its work as the focal agency for rubberwood development and it was urged that ITTO increase its support to this sector.

14. Report of the Session

The Committee adopted this report for submission to the Council.

APPENDIX I
LIST OF FELLOWSHIPS APPROVED

Economic Information and Market Intelligence

MAHARJAN, Pradip	Nepal	Short course on the Marketing of Non-Timber Tree and Forest Products at the Regional Community Forestry Training Center (RECOFTEC), Kasetsart University, Bangkok, Thailand
TZE, William Tai Yin	Malaysia	Short course on Research Methods in Forestry at the Oxford Forestry Institute, Oxford, United Kingdom

Reforestation and Forest Management

ARAGONES, Eustaquio Jr.	Philippines	Study tour of herbarium techniques at the Rijksherbarium, Leiden, The Netherlands, and the Botanical Herbarium, Kew Gardens, United Kingdom
BARAL, Uma	Nepal	Short training course on "Women and Environmental Management" at the Australian National University, Canberra, Australia
DHANKHAR, Satish Kumar	India	Research on tree breeding field experiment design at the University of Canterbury, Christchurch, New Zealand
DONNIE, Ben Turtur	Liberia	Attend Eleventh International Seminar on Forest Management and Administration at the University of Michigan, U.S.A.
GAVIRIA, Alfredo Emilio	Peru	Deliver paper to the International Congress on Ecology and the Environment at Bania Drake, Costa Rica
GYAMFI, Benjamin Archibald	Ghana	Short training course on "Making Forest Policy Work" at the Oxford Forestry Institute, Oxford, United Kingdom
JAIN, N.C.	India	Attend Eleventh International Seminar on Forest Management and Administration at the University of Michigan, U.S.A.
KAIPARE, Epeakal	Papua New Guinea	Short training course on Forestry Planning and Management" at the Australian National University, Canberra, Australia
KOSI, Tommy Kupe	Papua New Guinea	Short training course on collection, identification and biological control programmes relating to Hymenoptera at the University of Hawaii, U.S.A.
KOTIO, Alfred Fayia	Liberia	Short training course on "Making Forest Policy Work" at the Oxford Forestry Institute, Oxford, United Kingdom
LIN, Yue-hui	China	Deliver paper at the International Congress on Ecology, Manchester, United Kingdom

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LISMAN, Sumardjani	Indonesia	Study Tour with the International Society for Mangrove Ecosystems (ISME), Okinawa, Japan
LUETEL, Ram Prasad	Nepal	Research on the evaluation of the economics and sustainability of community forest management systems in the hills of Nepal
MANILA, Antonio C.	Philippines	Research on the effects of a rooting hormone on cuttings of <u>Shorea plicata</u> & <u>S. contorta</u> at the Department of the Environment and Natural Resources, Manila, Philippines
MANUEL, Mary Caroline	Philippines	Short training course on Resource and Environmental Management at the Australian National University, Canberra, Australia
MARTU, Barga	Papua New Guinea	Short training course on Forestry Planning and Management* at the Australian National University, Canberra, Australia
N DONGOU, Antoine	Gabon	Study Tour on Forest Management and Planning at the Société de Développement des Forêts (SODEFOR) in Abidjan, Côte d'Ivoire
N DUMBORE, Emmanuel	Gabon	Study Tour on Forest Management and Planning at the Société de Développement des Forêts (SODEFOR) in Abidjan, Côte d'Ivoire
OREDINA, Araceli Castillo	Philippines	Short training course on Resource and Environmental Management at the Australian National University, Canberra, Australia
SAH, Shambhu Prasad	Nepal	Deliver paper at the International Conference on Ecology and the Environment, Costa Rica
SAMBURY, Carlton Claudius	Trinidad and Tobago	Attend Planning and Management course at the Oxford Forestry Institute, Oxford, United Kingdom
SOEPRIJO KERTADIKARA, Arti Widowati Prat	Indonesia	Attend Seminar on "Measuring and Monitoring Biodiversity in Tropical and Temperate Forests" at Chiang Mai, Thailand
VERISSIMO, Adalberto	Brazil	Preparation of a Forestry Manual for use in training extension workers at the Instituto do Homem e meio Ambiente da Amazonia (IMAZON), Belem, Brazil

Forest Industry

ABENEY, Ernest Asare	Ghana	Attend Seminars on "Soil, Tree, Machine Interactions in Forest Operations" at Feldafing, Germany, and on "Forest Operations under Mountainous Conditions with Special Attention to Ergonomics, Accessibility, and Environmental Protection" at Harbin, China
APPIAH, Joseph Kwame	Ghana	Attachment for training in lumber drying at the Federal Research Centre for Forestry and Forest Products, Hamburg, Germany
BISANA, Belen	Philippines	Research on wood torrefaction and carbonisation at Osaka National Research Institute, Osaka, Japan
BOACHIE, Felix Edmund	Ghana	Training Course on Further Conversion, Development, and Marketing of Down Stream Wood Products at TRADA Technology, High Wycombe, United Kingdom
BOAMAH-TAWIAH, Richard	Ghana	Training Programme in Wood Preservation at TRADA Technology, High Wycombe, United Kingdom
NALMBANG, Maiki Quentin	Papua New Guinea	Short training course on Logging Systems and Harvest Planning in Portland, Oregon, U.S.A.
NICOLAS, Alberto Viernes	Philippines	Short course on "Economics of Resource and Environmental Management" at the University of New England, Armidale, Australia
ZHOU, Degun	China	Research on sapstain fungi at the School of Biological Sciences, University of Portsmouth, United Kingdom

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