



ITTO

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Yokohama, Japan

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

Yokohama, Japan

28 November - 4 December 1991

Table of Contents

	<u>Pages</u>
Report	1 - 33
Annex I List of Participants	34 - 51
Annex II Agenda	52 - 54
Annex III Membership of Council	55 - 56
Annex IV Text of Main Decisions Adopted by the Council at its Eleventh Session	57 - 77
Annex V Reports of the Ninth Sessions of the Three Permanent Committees	78 - 212

Opening of the Session {Item 1}

1. The Eleventh Session was opened by the Chairman of the Council, Mr. Ernesto Sanvictores (Philippines).

2. In his opening address, the Chairman stressed the role of the tropical timber trade in assisting developing countries to recover from the effects of the last world war. However, later growth of population and the subsequent expansion of agriculture onto former forest lands had led to increasing deforestation with subsequent erosion and loss of soil fertility, often erroneously attributed solely to logging. But a thriving timber industry was still the key to alleviating rural poverty. The Chairman urged Governments to develop long-term forest sector plans, to improve tenure systems, and to motivate investment in reforestation, particularly plantations. He reiterated the importance of ITTO's "Target 2000" and concluded by reminding delegates of the need to address the issue of the re-negotiation of the International Tropical Timber Agreement, 1983 (ITTA).

3. The Mayor of Yokohama, His Excellency Mr. Hidenobu Takahide, welcomed delegates to the first Council Session to be held since the relocation of the Headquarters to the new Pacifico-Yokohama Building. ITTO, at five years, was now a fully-fledged international organization, ready to take up the challenge of combatting tropical deforestation. The City of Yokohama, in cooperation with the Government of Japan, was considering increasing its support for ITTO. The Mayor expressed his warm wish for successful deliberations during the Session.

Ascertainment of the Quorum {Item 2}

4. The Executive Director reported Council that the Quorum had been met.

Adoption of Agenda and Organization of Work {Item 3}

5. The Chairman sought to have the Provisional Agenda adopted.

6. The Representative of the U.S.A., Mr. Milton Drucker, requested the amendment of Item 11 to permit Members to present their national reports on progress towards the "Year 2000" target, as required by Decision 3(X), and sought postponement of consideration of Item 16 until consultations between Producers and Consumers were complete.

7. The Representative of Brazil, Counsellor Anna-Maria Portella, stressed the need for discussion of the substance of Item 11 of the Provisional Agenda. She supported the request of the Representative of the U.S.A. on the issue of Item 16, as did the Representative of Ecuador, Ing. Marco Vinueza Rojas.

8. The Representative of Malaysia, Mr. Yusof Salleh, in stressing the need and importance of separate producer and consumer discussions on agenda items, called for the scheduled time of the Producers' Group meeting to be advanced.

9. The Chairman reported the establishment of a Chairman's Ad Hoc Committee, and the Chairman's Consultative Group on Project Financing. Following this exchange of views, the Provisional Agenda was adopted.

Report on Membership of the Council {Item 4}

10. The Executive Director reported that there had been no change in the Membership of the Council since the Tenth Session.

Distribution of Votes {Item 5}

11. The Council took note of the distribution of votes as recorded in the Annex to the Provisional Agenda [Document ITTC(XI)/1].

Admission of Observers {Item 6}

12. Organizations applying for the first time to the Council for admission to the Session were provisionally admitted while the information concerning their objectives, structure, and history, as contained in Documents ITTC(XI)/Info.5, and /Info.5 Add.1 was considered. There being no objections, all applicants were formally admitted.

Report of the Credentials Committee {Item 7}

13. The Chairman of the Credentials Committee, Mr. Hiroyuki Yamamoto (Japan), reported that the Committee had examined the credentials of all Member Delegations. Mr. Yamamoto noted that the Credentials Committee had met on the 30th of November 1991 under his chairmanship. The Committee's Membership comprised Ecuador, Ghana, Japan and U.S.A., but other proposed members from Bolivia, Germany, Denmark and India could not participate. The Committee examined the credentials of all Members attending the Eleventh Session of the Council and the Ninth Session of the Permanent Committees and recommended that they be approved. The Council approved them accordingly.

Statement by the Executive Director {Item 8}

14. The Executive Director, in his statement, expressed gratitude for the continued support of the City of Yokohama and the Government of Japan, as further exemplified by the provision of the new Headquarters for the ITTO Secretariat. He highlighted the many recent events which emphasised the interlocking nature of global change, the speed of that change, and the greater consciousness of ITTO's role in the new international society with its strong concern for the biosphere where mankind dwells. The UNCED meeting could hardly be occurring at a more opportune time. Prudent management of natural resources was the essence of this concern.

ITTO has been, from the very beginning, conscious of the climate of opinion in which we exist. Time, energy and resources to examine, re-appraise and review the Organization had led to the creation of an institutional identity.

The Executive Director highlighted the concerns of the developing countries as articulated by the South Commission in 1990; firstly, the fears that the industrial nations of the North, having depleted their environmental capital for their own development were now attempting to rebuild it by placing environmental curbs on the South's development; secondly, the view that the North should assume certain obligations to make up for its past misuse of the planet's ecological capital and thirdly, the North's duty to aid with resources to protect the environment and to generate economic growth. Socially necessary growth, plus environmental protection, were essential to ensure reasonable employment and basic goals in health, education and poverty alleviation.

The same principles applied to tropical forests, and one should question whether the so-called world economic order created the conditions which made it possible to protect the forests. The fundamental causes of tropical deforestation -- poverty, population growth, subsistence agriculture, land tenure and credit systems, lack of financial resources and investment, the debt burden, imbalances in commodity trade and threatening trade barriers called for action.

The debate would rage with greater passion as long as the developed countries appear to the developing countries as shirking the issue of new and additional financial resources needed to address some of the crucial underlying factors of the environmental dilemma. ITTO was pleased that UNCED has decided to give the highest priority to the question of financial resources in its deliberations. The founding fathers who framed the ITTA, 1983 foreshadowed the current debate on sustainable development -- the integration of environmental concerns with the imperatives of development. As it entered the fifth year of operational existence, ITTO could look with some pride on its steady stride towards achieving sustainable forest development, notwithstanding impatient expectations.

The plea for resources was answered by the demand for better quality projects. There was also to be a balance between project and non-project work. Furthermore, resources were to be expended in the field and not on a bureaucracy, a principle enshrined in the familiar phrase "a lean and efficient Secretariat". The whole question of resources, however, could not be overemphasised.

Dr. Freezailah enumerated some of ITTO's achievements: the Guidelines on Sustainable Management of Natural Tropical Forests, on the Establishment and Sustainable Management of Planted Tropical Forests, and on the Conservation of Biological Diversity in Tropical Production Forests, the last being near completion; the successful ITTO Conference of Senior Foresters and the subsequent creation of channels of communication to a network of experts who will follow up with their Governments the modalities and practicalities of translating the Guidelines into local conditions and practices; the Target 2000 initiative; and the work of the Expert Panel to identify possible methods of defining general criteria for and measurement of sustainable forest management.

The Executive Director highlighted the background to the despatch of ITTO's mission to Sarawak, commencing with the invitation extended by the Chief Minister of Sarawak to the Sixth Session of the Council in 1989. Despite negative reactions from some quarters before, during, and after the mission, the ITTO remained committed to assisting the people of Sarawak. In a recent visit to Sarawak, Dr. Freezailah reported that everyone in the field had been made aware of concerns being expressed over the pace of change. But neither he nor other members of the international community had the right to interfere in the powers of a sovereign state, and he therefore appealed for restraint, patience, and perseverance. He anticipated that the Council would be briefed by the Malaysian delegation at this Session.

The Executive Director continued by describing ITTO plans: the assessment and quantification of the resources needed for sustainable forest management; formulation of incentives to promote sustainable forest management; and a programme of monitoring and reporting on national performances in achieving Target 2000.

Dr. Freezailah furthermore referred to the budget proposals for 1992 and appealed to the Council to entertain favourably the modest staffing increases in the face of the increased workload placed upon the Secretariat. He then called upon all Members to pay their contributions and arrears to the Administrative Account promptly. On the issue of the impending expiry of the ITTA, 1983, and the possibility of renegotiations, he urged Members to take the consultations seriously and not to procrastinate until a desperate rush against deadlines ensued.

Dr. Freezailah concluded by thanking donors for their generosity and exhorting the Council to breathe realism and vigour into the ITTO, and to eliminate discontent in the tropical and developing member countries.

Projects: Report of the Ninth Sessions of the Permanent Committees {Item 9a}

15. The Reports of the Ninth Sessions of the Permanent Committees were presented by the Chairmen of each Permanent Committee and approved by Council. The Reports are reproduced in this document as Annex 5.

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

16. In the special case of PD 173/91 Rev.1 (M), Dr. Garry Lindell, Chairman of the Permanent Committee on Economic Information and Market Intelligence, explained that this was a second phase of an earlier project, but only part-funding had been advanced, and the Organization's financial rules required full funding before immediate implementation could be approved. This matter was explained by the Executive Director, who nevertheless asked Council to be flexible. The Representatives of Switzerland and Sweden, representing the donors, agreed to permit the project to proceed pending further finance, subject to the approval of their authorities and to further consultations. Council approved PD 173/91 Rev.1 (M) for immediate implementation but only up to the level of voluntary contribution actually pledged. The remainder of the funding was to be sought from the present and other donors, including the Common Fund for Commodities.

17. In another case, that of PD 47/88 (I), Prof. Nils-Erik Nilsson, the Vice-Chairman of the Permanent Committee on Forest Industry, noted that no provision had been made for recovery of the pre-project costs in the project budget, and accordingly Council approved the revised project proposal [Rev.3], drafted during the Session, which contained an additional \$25,000 for this purpose. Prof. Nilsson also noted the availability of unearmarked interest funds in the Special Account sufficient to fully fund pre-projects PPD 48/91 (I) and PPD 49/91 (I). The Representative of Ecuador, Sr. Cristian Espinosa, spoke in favour of the benefits to his country from PPD 49/91 (I) and the Council approved \$40,250 for PPD 48/91 (I) and \$46,500 for PPD 49/91 (I) to be disbursed from this source.

18. The Secretariat clarified the position and noted that p.11 of document ITTC(XI)/CRP/1 detailed the resources of the pre-project sub-account but did not include the sum of \$100,000 which was required to be reimbursed to the Special Account Pre-Project Sub-Account from PD 34/88 (F) and \$25,000 to be refunded from PD 47/88 Rev.3 (I) (see preceding paragraph); together with another sum of about \$16,000 (in the ITTC(XI)/CRP/1 document already tabled before Council) making \$141,781 available. Council approved the use of this part of this sum as noted in the preceding paragraph.

Inception Report of the Independent Consultants on Project Work and the Project Cycle Manuals {Item 10a}

19. A delay in the commencement of the consultancy had resulted in the inception report rather than the final draft report being presented to this session of the Council. The Secretariat anticipated the consultancy would be the culmination of a suite of activities whose objective was the reform of the project cycle, namely, the inception and continuation of the Expert Panel on Project Appraisal, the earlier consultancy which the Council employed to effect project cycle amendments, initiatives under PD 73/89 (M,F,I,) to convene workshops on project formulation, consultants to assist Members in project formulation and full missions with the same intention.

The Secretariat outlined the main headings under which the consultants proposed to accomplish their work.

Report by the Secretariat on Relations with the Common Fund for Commodities {Item 10b}

20. The Secretariat speaker drew the Council's attention to the provisions of the ITTA, 1983 which required the Organization to utilise the resources of the Second Account of the Common Fund for commodities, once this was operational. The Fund's Second Account was now open and it had just convened a seminar at its headquarters in Amsterdam to introduce the facility to the International Commodity Bodies (ICB's). ITTO was recognised as an ICB, and a Secretariat person had represented ITTO at the Seminar. ICB representatives at the seminar were able to speak to the Consultative Committee meeting at the same time as the Seminar. Since the Fund's Second Account is new, it has so far only a small number of approved projects, and limited funds. However, it was recommended that Council consider which approved projects could usefully be submitted to the Common Fund.

Members were referred to the various background documents and guidelines prepared by the Common Fund to be followed by those ICBs presenting proposals. The diversity of ICBs represented at the Seminar included such commodities as rice, wheat, oilseeds, rubber, fish, zinc, tungsten etc., many of whom reported a lack of staff and other facilities needed to prepare project proposals. At present there appeared to be some tension between the approach taken by the Board and that of the Consultative Committee, which would probably be resolved as experience of Second Account funding increased.

The Common Fund will only consider projects already approved by the ITTC, and secondly co-financing is favoured, so likely candidates are those with part-funding, but whose quality is already assured. However, submitting to the Common Fund of course increases the length of the waiting time for the

proposal before implementation. The Secretariat recommended to the Chairman that he advise the Permanent Committees to propose candidate projects, approved by Council, to be submitted to the Fund. The Common Fund had expressed willingness to consider projects in the area of conservation provided they had a commodity component. The Fund had assured the Organization that projects in this area (for example those contributing to the Target 2000 objective) would not be considered as "stocking" in the sense defined for the Common Fund's First Account.

Report by the Secretariat on Proposals for Co-operation among Members towards Contributions from the Special Account to Individual Member States for more Effective Preparation of Project and Pre-Project Proposals {Item 10c}

21. A background Document ITTC(XI)/5 to this item had been prepared by the Secretariat in response to Council's Decision 2(X). This was an interim report because the conclusions of the Project Manual Consultancy currently underway are expected to take the whole matter forward to the next phase of development. The Secretariat's progress report recorded the initiatives taken through the Expert Panel on Project Appraisal, the earlier Project Cycle consultancy which led to Decision 2(X), and the workshops and missions funded through PD 73/89 (M,F,I). However, no proposals from Members relating to cooperation from the Special Account had been received by the Secretariat to date.

22. The Representative of Norway, Mr. Erik Bjørnbye, referred to the Document ITTC(XI)/4, and the statement that it appeared the Common Fund was planning to make loans at the outset. This was not Norway's impression. Of course, capital transferred from the First to the Second Account could not be disbursed as a grant, but nevertheless Norway, being aware that most ICBs (including ITTO) were not allowed to become indebted, still expected grant money to be forthcoming.

23. The Representative of the United Kingdom, Mr. Michael Wood, noting that the Second Account resources were limited, supported the Secretariat's emphasis on the quality of projects to be submitted to the Fund, because it was his understanding that, at the last meeting of the Board, only one out of nine projects was approved outright. Therefore, given the low chance of success, he advised restraint on ITTO resources to be expended on framing Second Account proposals.

24. The Representative of Germany, Dr. Gerhard Schmok, supported the U.K. representative, but desired to reserve his country's position.

25. The Representative of the European Community, Mr. Enzo Barattini, thanked the Secretariat for its report, and stressed the importance, despite

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the hurdles to be overcome, of submitting ITTO projects to the Common Fund for Commodities.

Report by the Executive Director on Identification of Possible Methods of Defining General Criteria for and Measurement of Sustainable Forest Management {Item 11}

26. The Executive Director reported on the work of the Expert Panel which convened at The Hague to identify possible methods of defining general criteria for and measurement of sustainable forest management, which met in The Hague. The Panel had concluded with three key recommendations. Firstly, that both consumer and producer Members should be required to submit reports to the Twelfth Session of the ITTC on their progress in achieving sustainable management of their forests; secondly, that the format of this report should indicate current status in a way consistent with national indicators; thirdly that the report should be ready by 15 February 1992 to allow the Secretariat, assisted by two consultants, to prepare a report for the Twelfth Session. The Executive Director emphasised the difficulty of the task, especially the question of determining or quantifying the resources needed by producer countries to achieve Target 2000. A special unit within the Secretariat would be needed to coordinate these efforts.

27. The Representative of Indonesia, Mr. Djamaludin Suryohadikoesomo, expressed his Government's preference for the original working paper's terminology above that of the Panel's Report insofar as that paper defined the "social impact" of a reduced but sustainable form of forest management to include the full range of people affected and not merely those living within the ambit of the forest.

28. The Representative of the U.S.A., Mr. Milton Drucker, complimented the Panel on its work, but requested the word "tropical" to be included with reference to timber and forests, since this was the mandate of ITTO. His Government interpreted its reporting responsibilities under the Target 2000 programme to cover tropical and not temperate forests and forest products.

Mr. Drucker further stressed that much work remained to be done, particularly in formulating a definition of sustainable management enabling progress in different regions to be measured. Such a definition should be devoid of all political implications, and simply capable of providing a working rule for practitioners in the field.

29. The Representative of the Netherlands, Dr. Hans Obdeyn, expressed his Government's satisfaction at having hosted the Expert Panel, which had contributed to progress in implementing Decision 3(X), and noted the importance of bringing the working definition down to the "concession" level,

and of extending the validity of the definition beyond the confines of ITTO itself.

30. The Delegate for the United Kingdom, Mr. Ronald Kemp, also complimented the Panel on its work, but expressed sympathy with the position adopted by the Representative for Indonesia, namely that the "no reduction in the [forest's] inherent value and potential future performance" was not qualified by the social impact criterion in the original consultants' report. Mr. Kemp again emphasised the essential need for the criteria and definition to be applied at the forest level. He supported the development of efficient field manuals and of pilot studies to determine costs.

31. The Delegate for Germany, Prof. Eberhard Bruenig, reiterated the need for a field manual, and reminded the Council that the matter was urgent because the forest resource of the tropical countries was at stake. ITTO projects which supported pilot area development programmes should be particularly useful in this respect.

32. The Delegate of the U.C.B.T, Mr. Morton Bjørner, pointed out that the trade needed a easily accessible reference document to enable them to identify areas which were "on the road to sustainability".

33. The Spokesperson for the Producers, Mr. Cristian Espinosa, (Ecuador) reported to the Council that a working group had been set up by the producer countries to investigate this important issue.

34. The Representative of Australia, Mr. Don Banfield, supported the approach of the Representative of the U.S.A. in interpreting the reporting requirements to cover only tropical forests.

35. The Representative of the U.S.S.R., Mr Lev Safronov, affirmed his Government's commitment to the ideals and practical proposals outlined in the Report and requested that a technical bibliography be appended.

36. The Representative of Malaysia, Mr. Yusof Salleh, in commenting on the possible ambiguity raised by the Representatives of the U.S.A. and Australia, asked the Secretariat for clarification of the meaning of the term "forest" in the Panel's Report.

37. The Executive Director replied that the intent had been to convey the meaning of all forests of the world, because it would be a learning experience for the tropical countries if they were informed of the lessons to be drawn from temperate forest management.

38. The Vice-Chairman of the Council, Mr. David Boulter, who had served as Chairman of the Panel, confirmed that his understanding had been identical to that of the Executive Director's.

39. The Representative of the U.S.A., Mr. Milton Drucker, reminded the Council that the Organization's constitutional mandate (the ITTA, 1983) covered only tropical forests. Any extension of coverage was beyond the powers of the Council. Therefore, in his view, the scope of the report was such as to exclude temperate forests.

40. The Representative of France, Mme. Elisabeth Laurin, supported the U.S. view.

Measures with Regard to Article 42 of the International Tropical Timber Agreement, 1983 (ITTA) {Item 12}

41. The Executive Director introduced this item (Document ITTC(XI)/12), reminding delegates of his earlier paper, at the Tenth Session, outlining the procedures ordered by Council to hold informal consultations on the renegotiation of the Agreement, whose final extension would expire on 31.03.'94. UNCTAD and other agencies consulted all warned against underestimation of the preparatory work and procrastination, which led to a the race against time.

The Executive Director was proposing the convening of two preparatory committees for 1992 and 1993, after the outcome of the UNCED were known. He noted that by the time of the last Prepcomm. in March/April 1992 the outlines of the final UNCED proposals would be clear, and asked for strong action by Council on this issue.

42. The Spokesperson for the Consumers, Mr. Milton Drucker, believed that the proposals were too ambitious in terms of scheduling. He proposed that the Council postpone a decision to the next Session, although even at this time the outcome of UNCED would still be unknown. Mr. Drucker expressed concern about the cost, and the need to find the necessary resources.

43. The Spokesperson for the Producers, Mr. Cristian Espinosa, indicated that the informal post-Council Meetings (5-6 December 1991) were a more appropriate venue for discussion, and the Producers wished to reserve their views on the subject.

44. The Representative of the U.S.S.R., Mr. Lev Safronov, supported the approach outlined by the Representative of the U.S.A., especially in view of probable developments with UNCTAD VIII, GATT, and UNCED, and moreover the internal changes affecting the former republics of the Soviet Union, which could lead to the Delegation to the next Council Session being composed of delegates from different republics.

Report on the Working Group on "Guidelines for the Conservation of Biodiversity in Tropical Production Forests" {Item 13}

45. Delegates were referred to Document ITTC(XI)/7, the Report of the Working Group. The Working Group had agreed that the Guidelines should form

an integral component of the original Guidelines on Sustainable Management of Natural Tropical Forests. The Group had met in Gruyères, Switzerland, under the Chairmanship of Mr. Erik Lammerts van Bueren, and had discussed the full range of issues rather than formulate a draft set of guidelines. Bearing in mind the likelihood of developments in this area at UNCED, delegates felt that a draft set of guidelines should be circulated to Members in order to produce a working paper for the Thirteenth Session of the ITTC.

Report on ITTO Participation in the Tenth World Forestry Congress {Item 14}

46. The Executive Director presented his report on ITTO's participation in the Tenth World Forestry Congress (Document ITTC(XI)/8). He complimented the organisers on their efficiency, bearing in mind the wide agenda and the number of participants (over 2000). Nonetheless, there was still room for improvement through reduction of both themes and papers. Eight crowded working days left delegates rather bewildered, unable to attend all the sessions of interest to them.

The Executive Director's report focussed on the ITTO Satellite Meeting, held on 25 September 1991. The brochure, circulated in advance, helped to attract participants, despite the parallel meetings. The basic theme was a full review of all areas of ITTO activity since its inception, and of ITTO's emerging institutional identity. The Acre project in Brazil was singled out for a special report by Dr. Judson Ferreira Valentim, since its ambit enfolded reforestation and forest management, forest industry, and marketing of forest products. Mr. Frank Sheridan, a director of the International Hardwood Products Association also contributed on behalf of the industry. Dr. Duncan Poore delivered an overview of ITTO's role in the sustainable development of natural tropical forests. The Satellite Meeting was a good opportunity to introduce ITTO's activities to a wide audience.

Report on Preparations for the 1992 United Nations Conference on Environment and Development (UNCED'92) {Item 15}

47. The Executive Director tabled his report (ITTC(XI)/8) on the Organization's preparations for the United Nations Conference on Environment and Development. The last Preparatory Committee took place in Geneva from the 12 August to 14 September. The report highlighted the six major areas of focus for UNCED which were of interest to ITTO: firstly, two conventions and the drafting of an authoritative statement of principles on global conservation and sustainable development of forests; secondly, formulating the Earth Charter or Rio de Janeiro Declaration on Environment and Development; thirdly, the UNCED programme of work - Agenda 21; fourthly,

financial resources; fifthly, transfer of technology; and finally, legal and institutional matters.

This Prepcomm brought to the surface polarised viewpoints and political sensitivities of governments, since the deadline was approaching. The fourth Prepcomm scheduled for New York, from 2 March - 3 April 1992, was intended as a negotiating session to draw together divergent opinions.

ITTO had presented two reports before the last Prepcomm, the compendium of papers from the Technical Workshop to Explore Options for Global Forest Management (Bangkok, April 1991), and the Report of the Conference of Senior Foresters held in July 1991 in Yokohama.

Some one hundred Heads of State were expected to attend the Summit segment of the Conference on the 11-12 June, that will mark the climax of the UNCED, when decisions receive the final approval of Heads of Governments. 29-30 May was to be allotted to pre-session consultations on organizing the Agenda and the Programme of Work. The intermediate period would be devoted to general debate and rounds of final negotiations. Aside from these governmental activities, NGOs would be staging a special event to highlight their concerns.

Review of Contributions to the Administrative Budgets **{Item 16}**

48. Council moved into closed session to hear the Executive Director's Report on this item (Document ITTC(XI)/CRP/II). He briefly outlined the major items in the accounts presented. As at 30.11.'91, the Organization had received from Members \$2,258,777.44, of which the Producing Members paid \$767,428.44, and the Consuming Members \$1,491,349.00. Arrears in contributions and interest charges levied were also detailed for both producers and consumers. Funds available as at 30.11.'91 were itemised by source - from the current and previous years' budgets, interest paid by Members and earned from bank deposits.

Administrative Budget Proposals for 1992 {Item 17}

49. The Executive Director presented the draft administrative budget proposals for the financial year 1992, as contained in Document ITTC(XI)/2. Council debated these and examined three alternative choices, eventually approving the administrative budget described in Document ITTC(XI)/2 Rev.1.

50. As a related issue, the Secretariat introduced a proposed schedule for the next Project Cycle and explained its rationale in consonance with the relevant Council Decision. Members were reminded of that the next Panel Meeting was uncertain because Council had not approved funds from the 1992 Administrative Budget nor were there any voluntary contributions to the Special Account earmarked for this purpose. In the event that funds were

available the deadline for first receipt of proposals, to give sufficient time for translation and perusal by Panel Members, would be in early January 1992. An appeal was made to donors to make voluntary contributions towards the cost of the Second Expert Panel on Technical Appraisal of Project Proposals.

Financial Resources of the Special Account: Pre-Project and Project Sub-Accounts {Items 18a & b}

51. The Secretariat presented the Document ITTC(XI)/CRP/1, entitled "Statements of the Special Account". Essentially it set out details of contributions and transactions in both the project and pre-project sub-accounts, listing individual projects, pre-projects, and activities in each field, including those approved but still awaiting financing.

52. The Representative of the United Kingdom, Mr. Michael Wood, noted that the ITTO had not requested the ODA for a pledged voluntary contribution to the earlier project cycle consultancy, and corrected other minor points on the actual implementing agency for two ITTC(X) activities. These issues were clarified by the Secretariat.

New Contributions to the Special Account {Item 18c}

53. The Council heard the following pledges of voluntary contributions to the Special Account:

54. The Delegate of The Netherlands, Mrs. Josine Boissevain, expressed her country's willingness to contribute to the Activity "Economic Linkages between International Trade of Tropical Timber and the Sustainable Management of Tropical Forests" (\$65,000); to the Fellowship Programme PD 60/89 (M,F,I) (sum unspecified); and for PD 201/91. On the last-named, she announced that it would be taken into serious consideration for full financing but that a small mission (the Netherlands, Thailand, and the ITTO Secretariat) was proposed to resolve a few outstanding matters, the cost of the mission to be borne by the Government of The Netherlands.

55. The Representative of Norway, Mr. Erik Bjørnbye, stated his country's willingness to contribute \$150,000 to project PD 176/91.

56. The Representative of the Union de Commerce des Bois Tropicaux (U.C.B.T.), Mr. Morton Bjørner, pledged \$30,000 to the "Economic Linkages between International Trade of Tropical Timber and the Sustainable Management of Tropical Forests" activity from the U.C.B.T.

57. A Representative of the Ito-Yokado Co. of Japan expressed his company's desire to contribute to ITTO's conservation activities in developing countries. He announced that part of Ito-Yokado's 50 million yen voluntary contribution would be allocated to PD 188/91 (F) "Reforestation of Rioja" to promote sustainable management of Peruvian forests, and his

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company's offer was accepted with gratitude by the Representative of Peru, who explained to Council the significance of this project.

58. The Representative of the United States, Mr. Milton Drucker, reported that an application had been made by the U.S. Government to Congress for an appropriation of \$1 million as a voluntary contribution to ITTO's Special Account, which he hoped would be approved in time for the next Session. He also announced that the transfer of \$100,000 committed to an earlier project PD 48/88 Rev.1 (I) should be transferred to one approved at the present Session, namely PD 176/91 Rev.1(F).

59. The Representative of Switzerland, Mr. Ivan Pellegrinelli, also announced contributions, pending subsequent approval by the Swiss authorities, of \$70,000 to the Economic Linkages Activity, and up to \$220,000 to finance implementation of PD 173/91 Rev.1 (M).

60. The Representative of the United Kingdom, Mr. Michael Wood, supported the Forest Resource Accounting activity, pledging the residual balance net of the anticipated Japanese contribution. The U.K. Government expected to co-finance, with the Danish Government, the "Ghana Incentives" activity. The speaker also expressed his Government's interest in contributing to the Fellowship Programme PD 60/89 (M,F,I), under discussion at present. The United Kingdom proposed to consult with other donors on joint financing activities. Mr. Wood finally expressed the U.K.'s willingness to continue supporting institutional strengthening activities to assist the ITTO Secretariat.

61. The Representative of Denmark, Mr. Bo Lidegaard, recorded Denmark's history of regular voluntary contributions and her willingness to continue in this vein. However, he stressed that funds must be disbursed from earlier commitments before further contributions could be made. At this time, he could only reiterate the commitment of \$200,000 to PD 83/90 (F,I) and agree that Denmark would co-finance the "Ghana Incentives" activity.

62. The Representative of Sweden, Mr. Eskil Lundberg, pledged up to twenty-five percent (25%) of the estimated cost of PD 173/91 Rev.1 (M), pending the final approval of Swedish authorities.

Appointment of Auditor for 1991 {Item 19}

63. The Secretariat explained that the firm of Price Waterhouse had, by special decision of the Council, been permitted to audit the Organization's accounts for three years, although normally the financial rules allowed a maximum of two. Now, two other firms, Arthur Andersen & Co. (Eiwa Audit Co.), and Ernst & Young (Asahi Shinwa Co.) had been interviewed with a view to Council's appointment of another firm to audit the

Administrative and Special Accounts of the Organization for 1991. Both companies were long-established Japanese branches of world-wide accountancy firms.

64. In answer to a query from the Representative of the U.S.S.R., Mr. Lev Safronov, the Chairman replied that the informative document was ITTC(XI)/10, and that Annual Reports of both companies were available.

65. The Representative of the United Kingdom, Mr. Michael Wood, enquired about the relative fees to be charged by each candidate, and whether negotiations had been undertaken to decrease bids, and the Representative of Malaysia, Mr. Yusof bin Salleh, proposed a decision be made by selecting the lowest bidding candidate.

66. The Secretariat replied that there was no significant difference, and quoted each figure, noting that each contestant would tend to set a quote in line with the budget line figure they had observed from the previous year. An increase in this figure had been provided for the year 1991 because the audit costs were more or less proportional to the number of transactions, and those of the Special Account in particular were rising rapidly.

Furthermore, the Secretariat recalled that, owing to recent mergers, the number of international accountancy firms had been reduced, and it was necessary to employ such a firm, as ITTO was an international organization with dollar-denominated accounts, and exempt from local taxation. Also it was necessary to have a new auditor able to liaise with the retiring firm (Price Waterhouse). Both candidates had such abilities.

67. Council instructed the Secretariat to conduct further analyses before finally approving Arthur Andersen & Co. (Eiwa Audit Co.) to audit the Organization's Accounts for the Financial Year 1991.

Appointment of the Executive Director {Item 20}

68. Council decided by acclamation to approve an extension of the term of office of the present Executive Director, Dato Dr. B.C.Y. Freezailah, for two years from 1 April 1992 to 31 March 1994.

Election of Chairman and Vice-Chairman for 1992 {Item 21}

69. Council approved the appointments, effective throughout 1992, of Mr. David W.K. Boulter (Canada), as Chairman, and Mr. Samuel Kwasi Appiah (Ghana), as Vice-Chairman of the Council respectively.

Dates of the Thirteenth Session of the Council and the Eleventh Sessions of the Permanent Committees {Item 22}

70. On the proposal of the Secretariat, Council proposed to convene the first session of the Preparatory Committee meeting for the renegotiation of the ITTA, 1983 from 11 to 16 November 1992. The succeeding dates of 17-24 November 1992 were proposed for the Thirteenth Session of the International

Tropical Timber Council and the Eleventh Sessions of the Permanent Committees in Yokohama, Japan. Council approved these dates, and re-confirmed the dates of 6-14 May 1992 for the Twelfth Session in Yaoundé, Cameroon.

Other Business {Item 23}

A. Statements on Sarawak:

71. The Council heard a report delivered by the Delegate of Malaysia, Mr. Hamid Bugo. Mr. Bugo thanked the Council on behalf of the Governments of Malaysia and of the State of Sarawak, and complimented the Executive Director on his opening statement, in particular his remark on the need for "restraint, patience, and perseverance", in following up the work of the ITTO mission to Sarawak.

The Government of Sarawak was fully aware of the need to strike the right balance between development and conservation, and the people of the State recently returned the Government to power with an increased majority. All ethnic groups were represented in the political parties, and outsiders had no legitimate mandate to control their destiny.

The original mission was conceived at the invitation of Malaysia during the Sixth Session of the ITTC because Sarawak wanted to determine the extent to which its forest management was sustainable. The impetus behind this development was the genuine desire for rational utilization, not a reaction to external criticism. At the Ninth Session of the ITTC, the State Government had accepted the recommendations of the Session and informed Council at the Tenth Session of the ITTC of its continuing commitment. However, Sarawak wished to dispel residual doubts about her commitment by making the present statement before the Council.

Mr. Bugo reported that there were three legal categories of forest in Sarawak. The totally protected areas (TPA), namely the national parks and wildlife sanctuaries and rehabilitation centres, covered 290,000 ha. with well-defined boundaries; steps had already been taken to increase the area of TPAs to 1,000,000 ha. The second category, the Permanent Forest Estate (PFE), was composed of legally Gazetted areas; these areas, totalling 4.5 million ha., were designated for sustainable forest management, and the State Government's measures to increase this to 6 million ha. are substantially complete. The remaining 1.7 million ha. were classified as "Statelands", some of which were in the process of being converted to agriculture, an economic need of the State recognised in Resolution 1(IX) of the ITTC.

The Delegate reported that the total timber harvest in 1990 was 18.8 million m³, of which 12.5 mill. m³ came from the PFE and 6.3 mill. m³ from the Statelands.

The central focus of the ITTO mission was sustainable management of the PFE (4.5 mill. ha., increasing to 6 mill.ha.). The report estimated the annual expected sustainable yield of this area at 9.2 mill. m³. As a lay person in forestry technical matters, it was baffling to the speaker that a set figure for sustainable yield could have been determined by the mission when the whole definition of the meaning of sustainability was still being hotly debated, even now by the ITTC. Nevertheless, Sarawak accepted the Mission's estimate in good faith, pending new information from growth and yield studies. The State has promised to reduce timber harvests from the PFE by 3 mill. m³ over the next two years, 1.5 mill. m³ during each of 1992 and 1993.

Since the forestry sector contributed very significantly to State income, the reduction would mean a loss of employment and income, besides diminishing State Government revenues. Measures to reduce the adverse effects would include accelerating growth in other sectors, but these might be of limited or late effect. The speaker appealed other Members, especially consumers, to assist the State's efforts by increasing prices paid for Sarawak's timber exports, supporting domestic processing, human resource development, and liberalising market access. These issues should be addressed with the same vigour as that devoted to Target 2000. Sarawak would be equal to both tasks.

72. The Spokesperson of the Consumers, Mr. Milton Drucker, recalled that, at the time of the resolution to establish the Sarawak mission, many Members felt the mission could achieve little, but in the event they were proved wrong. Cooperation between the ITTO, and the Governments of Malaysia and the State of Sarawak led to the identification of problems, and a set of proposed solutions. However, many consumer country delegates were rather disappointed by the progress report made at the last Session by the Malaysian Government, but the statement made at this Session was much more encouraging. The commitment to reduce production was heartening, but in view of the short-run effects on employment and welfare, consumers would be looking for ways to help with financing relevant projects, providing technical assistance, and other resources. It was ITTO's duty to report publicly on proof that the annual cut was being reduced, just as it did on the difficulties of introducing sustainable management which it encountered during the mission.

Mr. Drucker admitted that many questions remained to be answered about the manner in which progress towards sustainable management of tropical forests in Sarawak would be made, and the Consumers' group would invite the Government of Malaysia to keep ITTO officially informed. The trade and other

concerned parties were invited to provide further information informally, which would also be helpful. The speaker expressed hope in a positive ending to a story which had yet to be fully written.

73. The Delegate of Japan, Mr. Takashi Saito, expressed his Government's appreciation of the Malaysian Delegate's report and the prospect of the harvest being reduced to the 9.2 million m³/annum as recommended by the Mission report. This would help to enhance the credibility of the ITTO besides the ultimate benefit to Sarawak itself. Japan understood the negative short-term effects on welfare and stood ready to assist with technology transfer and other forms of aid to mitigate these effects.

74. The Representative of Australia, Mr. Don Banfield, spoke on behalf of his Government and of the Australian Timber Importers' Federation in welcoming the statement by the Government of Malaysia on Sarawak and in particular its commitment to reduction of the harvest from the permanent forest estate for 1992 and 1993. Australia called on Members to support Sarawak in countering short-run adverse social and economic effects, and announced that she would financially support a suitable ITTO project in Sarawak. Mr. Banfield hoped that in future progress in Sarawak would be a regular part of the ITTO Target 2000 reporting agenda, rather than continuing to be an international focus of attention.

75. The Representative of Ghana, Mr. Edward Nsenkyire, commended the authorities in Sarawak especially in view of the complexities of land-use issues in most developing countries.

76. The Delegate of the International Hardwood Products Association (IHPA), Mr. Jim Summerlin, welcomed the Malaysian report on Sarawak, and offered the full support of the U.S. trade.

77. The Delegate of the U.C.B.T., Mr. Morton Bjørner, spoke as a former member of the Sarawak mission. The trade understood firstly the magnitude of the task and the necessity for immediate remedial action, but it found the rapid build-up of international pressure on Sarawak to implement the mission's recommendations to be premature and unfair. On behalf of the European trade organizations, the speaker complimented the Malaysian delegation on their report, and expressed confidence in the sincerity of their intentions.

78. The Representative of Brazil, Ms. Anna-Maria Portella, made a general statement on Item 14 of ITTC(XI)/8, expressing dissatisfaction with the Secretariat's comment on the Sarawak mission, and reiterating the Brazilian Government's original reservations on the constitution of the mission as follows:

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"The Government of Brazil believes that it is a matter within the sovereign discretion of any Member state to request a mission to examine or evaluate its forest management. The ITTA makes provision for necessary means and procedures to allow states to receive from the ITTO any cooperation they decide on.

Brazil has considered the resolution establishing the Sarawak mission as "*sui generis*", a unique and exceptional initiative outside the competence of the ITTO, which is a commodity organization. Brazil does not recognise the competence of ITTO, through a resolution, to send a mission to a member state or to investigate procedures on national matters. Accordingly, the Government of Brazil cannot and will not take note, comment, or endorse any decision on developments arising from the Sarawak mission, and considers the matter as a bilateral issue between Malaysia and ITTO."

79. The Representative of Friends of the Earth, Malaysia, Mr. Thomas Jalong, thanked the ITTO for the opportunity to speak, and explained his duty and his right as a member of a community group in Sarawak affected by logging. Referring to the Sarawak Government's statement on the increase in T.P.A.'s, the P.F.E., and reduction of the cut, the speaker noted that this decision only complied with one part of the ITTO Mission's recommendations, and nothing had been mentioned about the reserves for local communities, cessation of logging in areas of land-claim disputes, and the value of non-timber products.

In Mr. Jalong's view, the Mission's statements gave a very narrow definition of sustainable management. Land and access disputes were on-going and the protests of indigenous people continued because, although this issue was voiced right at the outset of the ITTO mission, it was excluded from the recommendations. The speaker criticised the ITTO for this omission, and called for admission of indigenous peoples to the decision-making process. Some countries had already taken progressive steps to demarcate customary land rights and Mr. Jalong asked whether ITTO would continue to shy away from its responsibility to insist that its Member Governments adopt proper measures to recognise the rights of indigenous peoples living in tropical forests.

B. General Statements:

80. The Representative of Cameroon, Mr. Engelbert Temgoua, thanked the Council for its confidence in his country in accepting Cameroon's invitation to host the Twelfth Session of the ITTC. Cameroon had undertaken several forestry projects in the past, and hoped that delegates attending this session would take the opportunity to visit the forests of his country to see

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at first-hand what was being done to address the African moist tropical forests crisis. He noted that his Government had prepared a project for submission to the next session which the specific objective of promoting ITTO's Target 2000 programme in Cameroon. He thanked the Executive Director and his staff for their efforts at this Session and looked forward to welcoming all delegates to the next Session in Yaoundé.

81. The Delegate of Peru, Ing. Enrique Toledo, explained that the main problem in Peru was that of shifting agriculture. Peru wished to promote added value products to help increase the value of the forests, to introduce new species, and to improve forest management. The Peruvian Government's forest policy provided for a balance between conservation and development through land-use planning, and between forest management and trade through human resource development. Assistance was needed to help Peru draft new integrated management models to meet the Target 2000 objective.

The origin of forest destruction lay in poverty and therefore the solution to the problem was the creation and distribution of wealth. Opportunities for developing this solution were to be found in several ITTO projects and Ing. Toledo thanked the Organization, on behalf of his country, for its continued support to Peruvian projects.

82. The Representative of the U.S.S.R., Mr Lev Safronov, informed delegates that a Round Table on International Commodity Policies had been convened under the auspices of UNCTAD and the Ministry of External Economic Relations in Moscow in May 1991. The Round Table's objective was to stimulate ideas on a) whether continued reliance on commodity exports was a viable engine of economic growth, b) what would be the effects on commodities of increased environmental and health considerations, c) whether technology could provide solutions to the problems of the commodity sector, d) how an enabling environment could be created to promote the contribution of the commodity sector to development, and e) how the balance between world supply and demand of commodities could be improved. The UNCTAD document was available to interested delegates.

83. The Representative of Indonesia, Mr. Djamaludin Suryohadikoesoemo, called for the efforts of producing countries working towards Target 2000 to be supplemented by increased prices paid by consuming countries for tropical timber and for transfer of technology to enable more processing to be accomplished prior to export.

84. The Representative of Honduras, Dr. Rueben Moncada, congratulated his Malaysian colleagues on their report. The speaker continued by stressing the high financial cost of implementing the Target 2000 to producing

countries, and the need for technology transfer from countries which already had sustainable management policies. Consumer countries had a moral duty in respect of both the financial resources and the technology transfer.

Dr. Moncada further noted that deforestation was primarily caused by cattle-ranching in his own region; the perception in the North of logging as a primary cause was a fallacy which had led to such misconceived notions as the proposal to ban the import of tropical timber. Such a ban would promote further deforestation by reducing the value of the forest relative to its value as cleared land for agriculture; cost-efficiency of all enterprises was paramount when economic adjustment policies were being implemented. Education of consumer countries was needed.

The speaker concluded by complimenting the Chairman and the Executive Director on their management of the Sessions.

85. The Representative of the United Kingdom, Mr. Michael Wood, referred to proposals for achieving Target 2000 (i.e. all internationally traded tropical timber emanating from sustainably managed forests) by 1995. He stressed that his Government, at least, had no intention of substituting 1995 for 2000, and the year 2000 remained the date for achieving the objective. Finally, the United Kingdom strongly endorsed the comments made by the Representative of Honduras.

86. The Delegate of Bolivia, Ing. Luis Goitia, stated his country's position on their own national forest resources, in particular Bolivia's commitment to sustainable management of its tropical forests. It was difficult for Bolivia alone to achieve this, despite the recent reform of environmental legislation. Participation of local communities was an important component, and in respect of the Chimanes project (PD 34/88 (F)), Bolivia objected to its use by indigenous and trade union groups who are out of touch with reality as a kind of flagship against sustainable management policies; it was even willing to terminate the project if such critics did not desist. The continued support of international institutions for Bolivia's endeavour in improving the welfare of her regional populations was essential.

87. The Representative of COICA, Mr. Everist Ngukguang, thanked the Organization for the opportunity to speak.

Tropical woods are essential for both producers and consumers. The speaker sincerely wished for the session to produce resolutions protecting the forest, which was the heritage of those who lived there. His organization was concerned that the sustainable management proposals, theoretically valid, were not put into practice. Development should take an integrated approach, and those he represented were not opposed to development, despite the

accusations of government employees to the contrary. However, they were opposed to short-term profit-taking at the expense of the forest, which at the extreme could lead to ecocide and ethnocide.

Mr. Ngukguang spoke of the communion between mankind and nature and praised the ability of indigenous peoples to manage their heritage in a way which did not degrade the tropical forest ecosystem. This knowledge was deep and old. In particular the Amazon indigenous peoples must have their existence and way of life guaranteed; they desired full participation in all national and international activities which had an impact upon logging and the timber trade. The speaker thanked the sister organization in the Chimanés, Beni, Bolivia, and ITTO for assistance.

88. Ms. Kazuko Matsue, of the Japan Tropical Forest Action Network (JATAN), Japan, reiterated the previous speaker's concern about the effects of logging on indigenous peoples, but insisted on the importance of environmental issues as well. Sustainable management criteria were ignoring the rights of indigenous peoples and this had been reflected in the Target 2000 reports submitted by countries to Council. She called for countries which had not yet submitted their reports to do so immediately, and for the standardised format for reporting to be prepared as soon as possible. Emphasis should be placed on reporting concrete progress rather than on paying mere lip-service to the Year 2000 target.

Ms. Matsue called for allocation of sufficient resources to the forest services of producing countries and the recognition of the land-rights of local people. Projects in particular should be more focused on the Target 2000 and Members should discharge their responsibilities to the Administrative Budget promptly. No renegotiation of the ITTA, 1983 should occur without a thorough review of the performance of the ITTO to date. The Consumer and Producer meetings of the 5-6 December should analyse past failures as well as successes, covering implementation of the ITTO Action Plan, progress towards Target 2000, implementation of national guidelines, integration of the different objectives of the ITTO, and improvement of the quality of projects and the project cycle. In conclusion, the speaker reminded her audience that the future would judge ITTO by its deeds and not its words.

Decisions and Report of the Session {Item 24}

89. The Chairman requested the Secretariat to read verbatim the draft Decision 1(XI), which detailed the projects, pre-projects, and activities Council had decided to approve and that portion of the approvals which were

authorized for immediate implementation. The text of Decision 1(X) is reproduced in Annex IV of this document.

90. The Representative of The Netherlands, Dr. Hans Obdeyn, noted an omission in respect of the activity recorded in document PCM(IX)/7 Rev.1 on p.6 "Economic Linkages between International Trade and Tropical Timber and the Sustainable Management of Natural Tropical Forests", which was now fully funded. The Secretariat replied that this activity had already been recorded as approved by Council under Decision 1(X) 4a) of the previous session. Dr. Obdeyn requested the activity to be recorded again under Decision 1(XI), as previously funding had been uncertain, and this was agreed by the Chair.

91. The Representative of the U.S.S.R., Mr. Lev Safronov, suggested that the section mentioning the Common Fund should be slightly amended and this was accepted by the Chair.

92. The Representative of Malaysia, Dr. Yusof Salleh, noted that PD 10/87 (F) was approved for extension with an additional funding component of \$180,000 and this had been omitted. The revision was approved.

93. The Delegate of Japan, Mr. M. Watanabe, requested that, pending full financing, PD 173/91 Rev.1 (M) be approved for immediate implementation, initially for one year, and this was agreed. Council then agreed to the final version of Decision 1(XI).

Closing Statements

94. The Representative of the European Community, Mr. Enzo Barattini, expressed appreciation of what his delegation viewed as a successful session. The European Community would support the path taken by ITTO and the reports of several national delegations on their progress towards "Target 2000" showed that they were of the same mind. Members who had not yet submitted national reports were called upon to do so before the next Council Session. The reports should be harmonised so that the best possible use should be made of them.

The E.C. believed strongly in the wide dissemination of the ITTO Guidelines on Sustainable Management of Natural Tropical Forests and the Community's Member States who were donors believed that adherence to these principles should play a part in the allocation of finance. The Community thanked Malaysia and Sarawak for their statement, which showed real commitment, in particular the P.F.E. harvest reduction plans; all further information received by the Community would be used to dispel any misunderstanding over the Sarawak issue.

The establishment of a Finance Committee was welcomed, and Mr. Barattini congratulated the Executive Director on the two-year extension of

his term of office. He commended the Chairman on his capable management of the Session, and thanked the interpreters and translators.

95. The Spokesperson of the Consumers added his congratulations to those of the previous speaker, and addressed some issues relating to decisions made. Firstly, he considered the solution to the Administrative Budget difficulties as inelegant, and merely expedient because obviously no organization could continually use its reserves for current consumption without eventually paying the penalty. Secondly, the decision on sustainable management was a very commendable unified effort. Thirdly, the decision on work relating to the conservation of biological diversity was still a compromise, but nevertheless some progress was achieved. Fourthly, the project cycle improvement process was delayed, but nevertheless a decision had been tabled and approved.

Mr. Drucker commended the contribution of the NGO participants in this particular session, and called for nations who had still not submitted their Target 2000 reports to do so before the next session. He thanked his consumer colleagues for their patience and his producer spokesperson counterpart for his handling disagreements in a wise fashion.

96. The Spokesperson for the Producer Countries, Mr. Cristian Espinosa, noted the progress made in implementing work under the ITTA, 1983. This progress had not always been optimal, nevertheless its impetus was growing. The producer countries had a strong motivation in preserving the wealth of the tropical forests. Their concern was not like that of outsiders because they were concerned with the development of their economies, and the demands of their peoples for improved welfare. The producers' commitment was grounded in their awareness that ITTO had become one of the most efficient international fora.

A new stage was beginning in the life of the Agreement, and the producers believed in the need to strengthen the three areas of ITTO's endeavours. The speaker thanked the Executive Director and his staff, the Chairman, the City of Yokohama, and the Government of Japan, concluding by expressing appreciation of the skills of the good negotiator he had observed in his consumer counterpart.

97. The Representative of Indonesia, Mr Djamaludin Suryohadikoesomeo, expressed his country's admiration for the actions taken to realise sustainable forest management by Member Countries, and thanked the Executive Director and Chairman for their capable management of the Session.

98. The Delegate of Malaysia, Mr. Hamid Bugo, thanked delegates for their show of support to his country statement on Sarawak. Malaysia viewed

this as a vote of confidence in the feasibility of sustainable tropical forest management.

99. The Representative of Cameroon, Mr. Engelbert Temgoua, thanked Council for its decision to hold the Twelfth Session of the Council in his country.

100. The Executive Director reflected upon the improvements made in the understanding and implementation of the mandate in the ITTA, 1983 with each succeeding Session. The chosen path was now a matter of greater conviction and consensus, despite the disparity of views. This was exemplified by the debate over Sarawak, and the Executive Director reiterated the right and the duty of Governments to defend the welfare of their people. He welcomed the offers of increased assistance by other Members, but reminded delegates that actual mechanisms and real resources must match the resolve expressed.

On the issue of the budget, the Executive Director recorded the willingness of his staff to serve the Organization but observed that additional resources were needed for administration and monitoring of the increasing number of active projects and to implement the provisions of Council decisions. He asked Members to give deeper thought to the dilemma facing the Secretariat.

Dr. Freezailah recorded his appreciation of the wise counsel and leadership of the Chairman during the year, and commended the incoming Chairman to the meeting. He concluded by thanking the City of Yokohama, its support staff, and the corps of interpreters and translators.

101. The retiring Chairman, Mr. Ernesto Sanvictores, recalled his appointment the previous year and the permission he received from his own Government to undertake this task, although he was essentially a private citizen and a timber grower and trader. He described the wide ambit of ITTO's activities, and the level of progress achieved towards Target 2000 notwithstanding the limited resources of the executive arm. Vitality and commitment among the membership was the source of this strength, and the Chairman concluded by expressing his appreciation to all those who had assisted him during his tenure of office.

The Chairman then declared the Eleventh Session of the International Tropical Timber Council closed.

APPENDIX 1

COUNTRY REPORTS RECEIVED BY COUNCIL ON PROGRESS ACHIEVED
IN APPROACHING "TARGET 2000"
(THE ORIGIN OF ALL INTERNATIONALLY TRADED TROPICAL TIMBER SHALL BE
SUSTAINABLY MANAGED FORESTS BY THE YEAR 2000)

The Council convened in a special session to hear country reports on progress towards Target 2000 (pursuant to Decision 3(X)).

European Community

The Representative of the European Community, Mr. Enzo Barattini, expressed disappointment that the Council's decision had not been universally followed by either producers or consumers. He requested a calendar of deadlines and the creation of an appropriate format for presentation.

Mr. Barattini reminded his audience that the members of the Community each had their own forest policies, and the Community only intervened if it could add value to the joint effort, coordinate guidelines, or provide assistance on weaker aspects of the policies. Currently tariffs on tropical logs are zero and up to 10% on other forest products. However, under the Uruguay round of GATT, a substantial reduction of tariffs on processed products is imminent. Furthermore 50 million ECUs have been spent over the last ten years on tropical forest products. Finally the Lomé Convention has permitted compensatory payments from the Community to developing countries for environmentally-related reasons. 2.7 billion ECUs has been allocated to S.E. Asia over the last five years, of which 10% is for forest-related activities; recently activities concerning conservation of tropical forests in Central Africa have increased, covering seven countries, and in Latin America, as a result of the G-7 and Dublin Summits, a series of pilot programmes have been set up in Brazil.

Japan

The Delegate of Japan, Mr. T. Saito, noted that his Government was presenting only a provisional policy framework on its progress towards Target 2000 at this Session. Japan proposed to give high priority to issues of sustainable management, conservation, and research through its bilateral programmes and its contributions to multilateral agencies. Japanese voluntary contributions to ITTO amounted to approximately \$22.52 million in 1989 and 1990, and another \$9.62 million was pledged for 1991. Japan will continue to support ITTO activities for achieving Target 2000 in the fields of training, financial and technical assistance, and, taking into account the results of UNCED '92, Japan will pursue the same policies in the future.

The measures to be taken to achieve the Year 2000 Target are firstly, to promote dialogue between consuming and producing countries in order to make good projects in accordance with the ITTO Guidelines; secondly, the support workshops and seminars in the regions to follow up the results of the Senior Foresters' Conference and training activities; thirdly, ensuring that local communities can properly benefit from the transition to sustainable management; promoting cooperation in accordance with the trade principles incorporated into Decision 3(X); fifthly, promoting cooperation for conservation of biological diversity.

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Japan, as the largest tropical timber importer, will adhere to the principles of free trade, respecting the sovereignty of producing countries, the objectives of Decision 3(X), and the outcome of the planned Melbourne workshop under PD 82/90. In this context, Japan had submitted a project to examine on a macroeconomic scale the supply of and demand for sustainably produced tropical timber (PD 182/91 (M)); secondly, Japan would conduct discussions with its major trade partners on the effect of their policies of likely volumes of sustainably produced timber; Japan would also consider the prospects for domestic industries in the producing countries; thirdly, the Japanese Government will continuously monitor both actual import volumes and plans of traders, in order to take action should import volumes exceed those proposed by producing countries when setting their policies on sustainable forest management. Japan hope the other importing countries would follow her example for the sake of market transparency.

The Japan Lumber Importers Association is notifying to all its members guidelines which comprise a) orderly imports, b) JLIA-producer contracts observing ITTO guidelines on harvesting, c) promotion of efficient utilization through channelling market intelligence to producer organizations, d) JLIA-producer organization regular consultations, e) enhancement of value-added in tropical timber through cooperation with other associations.

The Japan Plywood Manufacturers Association has targeted 30% as the substitution level of tropical timbers by temperate for plywood by 1996; the Government of Japan will also promote substitution of tropical timber as raw material in plywood, as well as by extending the life cycle of concrete shuttering, and deepening the understanding of its citizens of this issue.

The speaker referred to the principle of enhanced value-added. Basic research would continue to be supported. The possibilities for non-wood products and wood from sustainably managed forests would be studied. Finally Mr. Saito addressed the question of price. His Government intended to support ITTO's efforts to discover the costs of sustainable management and to determine how the price could incorporate these costs.

The Netherlands

The Representative of The Netherlands, Dr. Hans Obdeyn, introduced his country document, which took four years of consultations and was adopted by parliament in September 1991. Chapters 5 & 6 summarised the objectives encouraging tropical forest preservation through balanced and sustainable land and forest use with a view to halting the present trends in deforestation and environmental degradation. His Government would also encourage measures to bring harvesting into line with sustainable management and measures to completely prohibit harvesting in virgin forest, and from endangered tree species. the Government of the Netherlands believed that from 1995 the tropical timber trade should be restricted to countries with policies geared to sustainable timber production and protection.

To evaluate progress, The Netherlands would hold a review in 1993. The resources for this total programme would over 1992-4 amount to 130 million Dfl.

United Kingdom

The representative of the United Kingdom, Mr. Andrew Bennett, reiterated his Government's belief that the only way to Target 2000 was through national cooperation between consumers and producers. Set objectives were required so

that progress could be measured. It was a task where everyone, Governments, NGOs, the trade, and users of the policy, had a role to play. ITTO was a unique forum for all such agencies.

The speaker presented the following abstract of his Government's paper:

- 1) The first part dealt with domestic policy, detailing how forest cover in the United Kingdom, which had shrunk to 5% of the land area in 1900, had now been restored to 10% and was still increasing under the influence of special financial incentives for re-forestation and regulations against de-forestation.
- 2) The second part described the U.K.'s overseas strategy for its participation in international organizations, in particular emphasis on sustainable management systems and maintenance of biodiversity, the identification of viable incentives, support for research, and building of capacity into the forestry institutions of producer countries. There were now 195 U.K.-supported forestry projects worth \$193 million.

The U.K. hoped earnestly for an Earth Charter to emerge from UNCED which enshrined a realistic programme for action. It supported reform of the TFAP, although progress was disappointing, also the Global Environment Facility, and in respect of Third World debt, forgiveness and re-scheduling under the Toronto and Trinidad and Tobago terms. CITES had an important role to play in the relationship between ITTO's Target 2000 and GATT.

- 3) The third part examined activities in the U.K. trade, the NGOs, and their recent cooperative endeavours, such as the WWF/Trade "Forests Forever Campaign". A special facility was open to help some of the NGOs own projects. The Hardwood Association had developed a Statement of Intent for Traders, although a more encouraging response from users was still wanting.

The report was preliminary, a touchstone for judgement, and Mr. Bennett reported his Government's interest in a response to its proposals. The U.K.'s environmental policy was set out in their own White Paper "This Common Inheritance", covering national and international perspectives. Forestry was an integral part of this policy, and regular meeting between Government Departments, the trade and the independent sector were convened to ensure commonality of objectives.

Indonesia

The Representative of Indonesia, Mr. Djamaludin Suryohadikoesoemo, reported that Indonesia's paper on her progress towards Target 2000 was based upon an assessment using national criteria. A comprehensive national land-use plan containing a forest policy had been in place since 1982. To date, about 64 million ha. had been designated as Permanent Forest Estate, with another 48 million ha. of forested land potentially available for agricultural development. By the Year 2018, timber plantations should have reached 6.2 mill.ha. in extent, with annual planting rising from the 160,000 ha./achieved last year to 300,000 ha. per year. 2.07 mill. ha. of plantations had been established by 1990.

The Totally Protected Area was projected to cover 18 mill. ha., indeed it was already 16 mill. ha. including 6.7 mill. ha. of National Park. Several pieces of legislations covered forestry matters, beginning with the Basic Forestry Law in 1967 (with environmental amendments in 1982), and forestry

protection laws since 1985. Over thirty management plans exist for National Parks and other protected areas.

Legislation to authorise Environmental Impact Assessment was enacted in 1986, and strengthened by the MOF Decree 500 in 1989. Concession-holders are now required to have acceptable plans for assessing socio-economic effects of their activities. Preparations for 25 such plans had begun by July 1991. Government companies and large-scale concessionaires have been required to supply timber to small-scale operations. Indonesia seeks, in her forest policy, to have all forest categories serving the same objectives. From 1992 the national TFAP will be active.

At the concession level, the speaker's Government had been active in examining performance against the sustained management benchmark. This review included the parastatal Perum Perhutani with teak plantations on Java, and International Timber Corp. Indonesia in East Kalimantan, a private sector company.

Much sustainable management in Indonesia long ante-dates the ITTO Target 2000 and local community forestry was also widely practised. Mr....concluded by affirming Indonesia's confidence in meeting the ITTO Target 2000.

Germany

The Representative of Germany, Dr. Gerhard Schmok, reported that the document submitted by his Government explored policy options to achieve Target 2000. In particular, Chapter 2.15 defined trade policy options. Germany regarded unilateral import levies, restriction on end-uses, and other market intervention measures as being symbolic at best and probably counter-productive in their effects. Such stratagems infringed producer country trading rights and worked counter to German commitments on lowering trade barriers. On the contrary, the speaker stated that introduction of sustainable management techniques was the best route to Target 2000.

Denmark

The Representative of Denmark, Mr. Bo Lidegaard, followed earlier speakers in reiterating his Government's commitment to ITTO's Target 2000. It was pleasing to see both producers and consumers submitting reports. The Danish report, being their first, was preliminary and subject to amendment, in particular if Members were to agree on a standardised reporting format.

The Danish submission comprised three parts, covering multilateral and bilateral aid, and national policy on trade. Mr. Lidegaard said they viewed ITTO as a major consultation forum on sustainable use. Target 2000 was an important goal and each Council meeting an opportunity to further that goal.

The ITTO project portfolio is a means to implement change but ITTO must perform otherwise Danish funds will be re-allocated to other international aid agencies. The UNCED process is also important in the same context, with agreements under Agenda 21 corresponding closely with ITTO's work. Denmark saw UNCED as the appropriate forum for global forest discussions, and she also supported the TFAP under the FAO. The Danish report also recorded work done under GATT, CITES, the Global Environment Facility, the World Bank and regional development banks, and the EC Lome Convention.

Mr. Lidegaard briefly commented on the significant forestry component within the Danish bilateral programme, in particular the DANNIDA Tree Seed Improvement Centre's extension work around the world. A national tropical

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forests development assistance plan was under formulation, for assistance to countries at the national level. This would be presented to the Danish Parliament in the near future.

France

The Representative of France, Mme. Elisabeth Laurin, stressed that her country's report was preliminary, and subject to amendments. France did have tropical forests, although basically a consumer. Cooperation was one of the main approaches to sustainable management, and France desired to utilise Central Africa as an example of this cooperation, with a goal of some 2000 ha. in experimental projects. This work was to be in accordance with the Lomé convention.

Mme. Laurin recorded her Government's commitment to the implementation of the conclusions of the Xth World Forestry Congress and the Paris Declaration. This Declaration stressed the need to reconcile economic use of resources and protection of the environment. Also essential was the development of trade norms and information exchange especially in the context of ITTO and regional development organizations. France opposed attempts to restrict trade on the pretext of enhancing conservation where such attempts were in conflict with GATT. She also supported efforts to standardise the formats in which countries presented their reports (under Target 2000) in order to better compare developments recorded therein.

Ghana

The Delegate of Ghana, Mr. E. Nsenkyire, noted that his delegation's statement on Progress towards Target 2000 was entitled "Logging and the Environment; a View of the Ghanaian Logger".

Forests covered about 84% of the Earth's land surface. In Africa, deforestation was primarily caused by agricultural clearing for subsistence, or, to a lesser degree, cash export crops. Ironically, therefore, some deforestation was planned or promoted by Governments, but much is uncontrolled. Logging was not a primary cause of deforestation, owing to its selective nature, and low intensity (2-10 trees per hectare). In Ghana only 40 of over 600 common species of tree produce commercially acceptable timber, but the canopy is disturbed, residual damage does occur, and the ecology is modified. Afterwards, farmers may use logging roads to gain access for cropping. According to FAO, about 11.1 mill. ha. of tropical forest are destroyed every year, of which about 7.3 mill. ha. were for agricultural clearances. All options are difficult since less farming means more pleas for foreign aid, already decreasing, and less logging means a bigger balance of payments deficit, and more begging to international financial institutions, whose conditionalities were ever more demanding.

ITTO, the speaker believed, offered a better option, through its project-based ability to improve forest management for sustainability. Some NGOs suggest ITTO should place a moratorium on project appraisals until certain conditions are met, but tropical countries were not consulted on this matter. ITTO should not be party to any imposition on its Member States. Such proposals undermined the relevance and objectivity of the Organization. Boycotts on tropical timber would lead to bankruptcies, job losses, and the "push-down" effect would lead to the least privileged returning to the forest to resume shifting cultivation. Loss of the economic value of the trees simply destroyed the incentive to protect and replace them. Those who loved the forest were those who lived in and from them. With support, the speaker argued, such people were the best protectors. He noted that the timber

industry in Ghana voluntarily contributed 1% of the f.o.b. value of receipts to a reforestation trust fund, totalling \$1.5 million/annum. Though the amount was modest, it was a growing exercise in cooperation with policymakers, who were called upon to make their counterpart contribution, in particular through loans for establishment of plantations.

Mr. Nsenkyire concluded by calling for direct cooperation between producers and consumers and welcomed the work undertaken by ITTO on methods for measuring sustainability. Mutual trust within, not regulatory pressure from without, was the core of ITTO's capability.

Norway

The Representative of Norway, Mr. Eric Bjørnbye, joined other speakers in requesting a standard reporting format. Norway was in the process of preparing a White Paper for her Parliament to be tabled in January 1992 and the speaker was hopeful of its debate before the summer recess. He did not wish to pre-empt the outcome of this national initiative in his remarks. However, there had been clear support for the Target 2000 goal and Norway's paper described work with other agencies, in particular FAO, the World Bank, and the Common Fund for Commodities. With respect to the last, Mr. Bjørnbye urged ITTO to take full advantage of the opportunities presented by the opening of the Fund's Second Account.

Norway recognised, through the UNCED discussions, the need for genuinely new resources to be devoted to the environment, and her own "Climate Fund" was cited as an example. This Fund was additional to the normal development assistance budget, already the highest, on a per capita basis, among the OECD countries at more than 1% of GDP. Norway was a very small importer of tropical timber, and almost no tariffs applied to these commodities. In conclusion, the speaker noted that his country paper also addressed the current status of the Uruguay Round of GATT.

Australia

The Representative of Australia, Mr. Don Banfield, regretted that his Government was not in a position to table a formal report at the present time, as certain pertinent matters were still under consideration. He wished to affirm Australia's full commitment to the ITTO Target 2000, but to reserve comment until the conclusion of national discussions.

Austria

The Representative of Austria, Dr. Josef Hackl, noted that the forest comprised about 46% of the land area of Austria, and was increasing by 10,000 ha. per year. A strict law now enforced sustainable management since the mistakes of the last century still needed correction. In particular, the protection functions of the forest against avalanches and floods, and the welfare function of maintaining the purity of drinking water required attention. Austria saw forests, therefore, as essential to mankind's wellbeing. Dr. Hackl welcomed the ITTO initiative. The Austrian Parliament had instructed the relevant Ministry to find measures to restrict tropical timber imports to sustainably managed sources from the earliest moment possible, and had also requested the Government to increase its support for the efforts of producer countries in moving wholly to this type of management.

The speaker mentioned Austrian development assistance work in the Himalayan countries which was concerned with finding suitable species to

arrest soil erosion, and training course under the TFAP in Central America, besides work with forestry technology, especially tools for geographical information systems. Austria also supported the Global Environment Facility. Her Report would soon be available.

Finland

The Representative of Finland, Ms. Aulikki Kaupila, stated that Finland's report was preliminary, and the standard reporting format would be welcomed.

Sustainability was a popular concept nowadays, but lacked a precise definition. Much cooperation, especially in research, was still needed, but the lack of precision was no excuse for inaction. The speaker complimented the recent ITTO Panel for its work towards this end. Other published ITTO Guidelines were also useful contributions, but guidelines in other areas, for example in forest industry development and harvesting, were also required. National integrated plans were essential.

Finland also supported and financed the TFAP from the beginning, also this programme now required revision. Also, Finland had paid its share to the Common Fund's Second Account, from which forestry benefits were expected to flow. Recently, Finnish aid was being concentrated on small-scale development, integration with agriculture, and land-use planning. Ms. Kaupila recorded her Government's opposition to unilateral restrictions on trade in tropical timber and its support for the development of incentives directed at increasing the interest of local communities and forest owners in their forests.

Finland also participated actively in such multilateral efforts as the UNCED process, which was expected to deliver forestry benefits.

Sweden

The Representative of Sweden, Mr. Eskil Lundberg, emphasized certain points about his country's report. Sweden has signed the ITTA, 1983 in the hope that sustainable forest management could become an important aspect of sustained multiple use of land. His government believed it could assist such development thereby.

Target 2000 was an important initiative of ITTO but the speaker recorded Sweden's belief that the idea of progress reports could be further developed. The reports should be open, informed and operational. Differences of opinion and approach should be openly discussed. Sweden supported multilateral cooperation to expand and support international trade. Its policy excluded unilateral action. Swedish public opinion showed great concern over tropical forest degradation and the ITTO Target 2000 was endorsed.

Switzerland

The Representative of Switzerland, Mr. Ivan Pellegrinelli, noted that as his country accounted for less than 0.1% of world tropical timber imports, changes in its commercial behavior would have no impact on the economies of developing countries. Switzerland would not be affected by unilateral policies reducing the supply of tropical timber on the market. Moreover, both Swiss public opinion and the Swiss government were greatly concerned with conservation of tropical forests. In Switzerland, it was believed that unilateral actions to ban trade in tropical timber could have counter-productive effects.

The Bali Declaration on the ITTO Guidelines for sustainable management of tropical forests with the Target 2000 was welcomed in Switzerland. Under the auspices of ITTO, Switzerland could continue its policy of cooperation. However, if the 1995 review showed no progress, the speaker noted that his government might be forced to consider limiting imports of tropical timber products for the public services. Switzerland considers that a reduction of tropical timber exports by producers to timber from sustainably managed forests would be neither a de jure or de facto transgression of GATT conventions. Such measures would have to be formally ratified however.

Switzerland recognized that there was a financial burden in sustainable management compared to destructive usage, and this burden might be hard for the short term financial situation of many poor countries. A special decision on the 700th anniversary of the creation of Switzerland in 12 91 allocated 700 million SFr. into debt reduction in developing economies. Tropical forests would be among the beneficiaries of this measure. Switzerland was the second largest contributor to ITTO's Special Account, and from commitments made since 1988 totalled \$3 million. But the Swiss view was that the efficiency of the Organization was impaired by lack of fiscal discipline in contribution to the Administrative Budget and by a limited range of donor countries to Projects. Nevertheless, Switzerland would remain loyal to her commitments.

Future assistance would be for projects seeking to enhance progress to Target 2000 and would be linked with training activities. Consultations with the Trade and NGO's in Switzerland would be undertaken, and Swiss experience of sustainable forest management would be put at the service of ITTO.

Malaysia

The Representative of Malaysia, Mr. Yusof Salleh, reported that his country had convened a workshop to discuss the Guidelines for Sustainable Forest Management in June 1991. Participants included the heads of all state forestry departments and their silviculturalists. Each of principles 1-41 in the guidelines received an individual response for the Malaysian context. The speakers wished to highlight a few salient points.

Under the Malaysian constitution, land is a state responsibility, so the state can formulate laws and policies independently of the federal government. The latter's mandate extends only to technical advice, research, training and maintenance of experimental stations. However, there is a federal forestry policy dating from 1971 for coordination purposes. Since 1930, Malaysia has divided up its forest areas as PFE, PPA, & statelands. 12.5 million ha. is under PFE, + statelands = 18 million -69% and including plantation crops this reaches 74%.

Institutions include separate departments for the Peninsular States, Sabah and Sarawak together with the MTIB and FRIM. Under the forest plans, logging is fixed to a certain annual maximum, for example 62,000 ha last year in the case of the Peninsula. Pre-harvest and post harvest inventories assist control by determining both harvest and regenerated levels.

The chairman, closed the "Target 2000" session and members' reports on progress made, assuring the council that the Secretariat would work on the preparation of suitable formats for standardized reporting.

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Annex I

LIST OF PARTICIPANTS

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GENERAL

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3 December 1991

English/French/Spanish

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

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Mr. Gary R. Lindell	Program Manager, International Forest Products Program, Forest Products Laboratory, Madison, Wisconsin
Mr. Franklin Moore	Environmental Protection Agency, Washington, D.C.
Ms. Wendy Baer	Executive Vice President, International Hardwood Products Association, Virginia
Mr. Richard Forrest	National Wildlife Federation, Washington, D.C.

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Ing. Manuel Durini	Presidente
Ing. Fernando Montenegro	Director Ejecutivo

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Mr. Christopher Benning	Member's staff
Ms. Lena Lindahl	Vice-Director

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Mr. Shigetoshi Kitamura	Marubeni Corporation
Mr. Nobuo Kosuga	Nichimen Corporation
Mr. Noriyuki Kobayashi	Sumitomo Forestry Co., Ltd.
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Mr. Campbell Plowden	President
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Mr. Gordon Shepherd	WWF International
Mr. Yekini Adewale Adeleke	WWF International
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Mrs. Taeko Inagaki
Secretary
Ms. Manami Ohshima
Secretary
Mrs. Patricia Uyeyama
Secretary
Ms. Toshiko Kon
Secretary
Mr. Mamoru Sugiyasu
Clerk
Mr. Tadayuki Saito
Driver

Annex II

AGENDA

{ Document: ITTC(XI)/1 }

Distr.
GENERAL

ITTC(XI)/1
11 October 1991

Original: ENGLISH

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

AGENDA

1. Opening of the Session
2. Ascertainment of the Quorum
3. Adoption of Agenda and Organization of Work
4. Report on Membership of the Council
5. Distribution of Votes
6. Admission of Observers
7. Report of the Credentials Committee
8. Statement by the Executive Director
9. Projects:
 - a) Report of the Ninth Sessions of the Permanent Committees;
 - b) Consideration of Project and Pre-Project Proposals.
10. Reports in connection with Decision 2(X):
 - a) Inception Report of the independent consultants on project work and the Project Cycle manuals;
 - b) Report by the Secretariat on relations with the Common Fund for Commodities;
 - c) Report by the Secretariat on proposals for co-operation among Members towards contributions from the Special Account to individual Member States for more effective preparation of project and pre-project proposals.
11. Report in connection with Decision 3(X):

Report by the Executive Director on identification of possible methods of defining general criteria for and measurement of sustainable forest management

12. Measures with regard to Article 42 of the International Tropical Timber Agreement, 1983
13. Report on the Working Group on "Guidelines for the Conservation of Biodiversity in Tropical Production Forests"
14. Report on ITTO Participation in the Tenth World Forestry Congress
15. Report on Preparations for the 1992 United Nations Conference on Environment and Development (UNCED'92)
16. Review of Contributions to the Administrative Budgets
17. Administrative Budget Proposals for 1992
18. 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.
19. Appointment of Auditor for 1991
20. Appointment of the Executive Director
21. Election of Chairman and Vice-Chairman for 1992
22. Dates of the Thirteenth Session of the Council and the Eleventh Sessions of the Permanent Committees
23. Other Business
24. Decisions and Report of the Session

Annex III

**MEMBERSHIP OF COUNCIL AND PROPOSED DISTRIBUTION OF VOTES
FOR MEMBER STATES FOR 1991**

(as at the close of the Eleventh Session of the Council)

DISTRIBUTION OF VOTES

	<u>No. of Votes</u>	
	<u>1991</u>	<u>1992</u>
<u>PRODUCERS</u>		
Africa		
Cameroon	28	28
Congo	28	28
Côte d'Ivoire	28	28
Gabon	28	28
Ghana	28	28
Liberia	27	27
Togo	27	27
Zaire	28	28
Asia & Pacific		
India	38	38
Indonesia	174	174
Malaysia	147	147
Papua New Guinea	33	33
Philippines	35	35
Thailand	24	24
Latin America		
Bolivia	30	30
Brazil	155	155
Colombia	33	33
Ecuador	22	22
Honduras	17	17
Panama	18	18
Peru	35	35
Trinidad and Tobago	17	17
Total:	1,000	1,000
<u>CONSUMERS</u>		
Australia	19	19
Austria	11	11
Canada	15	15
China	28	28
Egypt	14	14
European Economic Community		
Belgium/Luxembourg	27	27
Denmark	12	12
France	49	49
Germany	41	41
Greece	13	13
Ireland	12	12
Italy	39	39
Netherlands	45	45
Portugal	17	17
Spain	25	25
United Kingdom	56	56
Finland	10	10
Japan	335	335
Nepal	10	10
Norway	11	11
Republic of Korea	89	89
Sweden	11	11
Switzerland	11	11
Union of Soviet Socialist Republics	13	13
United States of America	87	87
Total:	1,000	1,000

Annex IV

TEXT OF THE MAIN DECISIONS ADOPTED BY THE COUNCIL AT ITS ELEVENTH SESSION

{ Documents: ITTC(XI)/15
ITTC(XI)/16
ITTC(XI)/17
ITTC(XI)/18
ITTC(XI)/19
ITTC(XI)/20
ITTC(XI)/21
ITTC(XI)/22
ITTC(XI)/23
ITTC(XI)/24 }

Distr.
GENERAL

ITTC(XI)/15
4 December 1991

Original: ENGLISH

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 1(XI)

PROJECTS, PRE-PROJECTS AND ACTIVITIES

The International Tropical Timber Council,

Having considered, at its Eleventh Session, the recommendations of the three Permanent Committees on Projects as contained in documents PCM(IX)/7 Rev.1, PCF(IX)/18 Rev.1, and PCI(IX)/6 Rev.1.

1. Decides:

(i) To approve the following Projects:

- PD 47/88 Rev.3 (I) UTILIZATION OF LESSER USED SPECIES AS ALTERNATIVE RAW MATERIALS FOR FOREST-BASED INDUSTRIES (US\$727,612.00)
- PD 163/91 Rev.2 (I) TECHNICAL ASSISTANCE AND TRAINING FOR FOREST INDUSTRY DEVELOPMENT IN SABAH, MALAYSIA (US\$897,000.00)
- PD 167/91 Rev.1 (M) DIAGNOSIS AND EVALUATION OF THE BRAZILIAN FORESTRY SECTOR (US\$1,660,000.00)
- PD 170/91 Rev.1 (F) MODERNIZATION AND DEVELOPMENT OF EGYPTIAN FOREST NURSERIES (US\$298,000.00)
- PD 171/91 Rev.1 (F) CONSERVATION AND MANAGEMENT FOR MULTIPLE USE AND DEVELOPMENT OF COLOMBIAN MANGROVE SWAMPS (US\$2,125,700.00)
- PD 172/91 Rev.1 (F) THE RECOVERY OF NATURAL SYSTEMS OF THE HILLSIDES OF CAQUETA (US\$1,065,250.00)
- PD 173/91 Rev.1 (M) MARKET NEWS SERVICE FOR TROPICAL TIMBER AND TIMBER PRODUCTS, PHASE II (US\$880,000.00)

/...

- PD 176/91 Rev.1 (F) SUSTAINABLE MANAGEMENT FOR PRODUCTION, CONSERVATION, DEMONSTRATION, DIFFUSION AND PROMOTION ACTIVITIES IN MOIST TROPICAL FORESTS IN ECUADOR'S NORTHWEST (US\$714,670.00)
- PD 182/91 Rev.1 (M) ANALYSIS OF MACROECONOMIC TRENDS IN THE SUPPLY AND DEMAND OF SUSTAINABLY PRODUCED TROPICAL TIMBER FROM THE ASIA-PACIFIC REGION: PHASE I (US\$380,000.00)
- PD 184/91 Rev.1 (F) MULTIPURPOSE TREE PLANTING IN EGYPT (US\$495,000.00)
- PD 185/91 Rev.1 (F) SUSTAINABLE FOREST MANAGEMENT AND DEVELOPMENT IN PENINSULAR MALAYSIA (US\$3,468,623.00)
- PD 188/91 Rev.1 (F) REFORESTATION OF RIOJA (US\$215,000.00)
- PD 189/91 Rev.1 (M,F,I) PUBLICATION OF AN ANDEAN FORESTRY JOURNAL (US\$118,000.00)
- PD 194/91 Rev.1 (F) RECUPERATION AND DEMONSTRATION MANAGEMENT OF SECONDARY FORESTS IN THE PERUVIAN AMAZON
(PHASE I: US\$489,000.00,
PHASE II: US\$939,500.00)
- PD 195/91 Rev.1 (I) CONSUMER EDUCATION ON TIMBER AND PROCESSED TIMBER PRODUCTS (US\$687,000.00)
- PD 196/91 Rev.1 (I) UTILIZATION OF RESIDUES AND DENDROTHERMAL ENERGY IN THE PERUVIAN FOREST INDUSTRY (US\$168,000.00)
- PD 202/91 Rev.1 (F) SUSTAINABLE FOREST MANAGEMENT THROUGH COLLABORATIVE EFFORTS (US\$990,000.00)
- PD 203/91 Rev.1 (F) STUDY RELATING TO FOREST MANAGEMENT IN THE FAZAO-SUD REGION (US\$981,743.00)
- PD 204/91 Rev.1 (F) IDENTIFICATION AND STUDY OF A PLANTATION PROJECT FOR THE PRODUCTION OF TIMBER (2500 ha) IN THE RESERVED FOREST OF HALO-BALOE (PLATEAU REGION) (US\$356,477.00)

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

- PD 47/88 Rev.3 (I)
PD 167/91 Rev.1 (M) - subject to confirmation
PD 170/91 Rev.1 (F)
PD 173/91 Rev.1 (M) - subject to confirmation
PD 176/91 Rev.1 (F) - subject to confirmation
PD 182/91 Rev.1 (M)
PD 184/91 Rev.1 (F)
PD 188/91 Rev.1 (F)
PD 189/91 Rev.1 (M,F,I)
PD 202/91 Rev.1 (F) - subject to confirmation

(iii) To authorize financing for immediate implementation of the following Projects approved at earlier Sessions:

/...

PD 107/90 (I) STRATEGIES FOR SUSTAINABLE WOOD INDUSTRIES IN
SARAWAK (US\$440,550.00) - subject to confirmation

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

PD 163/91 Rev.2 (I)
PD 171/91 Rev.1 (F)
PD 172/91 Rev.1 (F)
PD 185/91 Rev.1 (F)
PD 194/91 Rev.1 (F)
PD 195/91 Rev.1 (I)
PD 196/91 Rev.1 (I)
PD 203/91 Rev.1 (F)
PD 204/91 Rev.1 (F)
PD 10/87 (F) (extension) (US\$180,000.00)

- (v) To authorize additional funding, subject to approval, for extended implementation of Project PD 60/89 (M,F,I).

2. Notes the decision of the Permanent Committees to implement the following activity and Pre-Projects:

PPD 43/91 Rev.1 (F) REHABILITATION OF DEGRADED FOREST LAND IN THE
AMAZON - A CASE STUDY IN THE CARAJAS MINERAL
PROVINCE (US\$218,000.00)

PPD 44/91 Rev.1 (F) REVIEW OF THE NATIONAL FOREST SITUATION SO AS TO
ESTABLISH A NATIONAL POLICY FOR THIS SECTOR IN
COLOMBIA (US\$100,000.00)

PPD 47/91 (F) SURVEY OF PROGRESS ON TECHNOLOGY GENERATION
REGARDING DIPTEROCARP VEGETATIVE PROPAGATION
(US\$200,500.00)

PPD 48/91 (I) FEASIBILITY STUDY ON PROGRAMME TO SUPPORT THE
SUSTAINABLE MANAGEMENT OF THE AFRICAN FORESTS
PRODUCING INDUSTRIAL TIMBER IN ORDER TO BETTER
ENHANCE THEIR POTENTIALITY (US\$40,250.00)

PPD 49/91 (I) FEASIBILITY STUDY ON A PROGRAM TO STRENGTHEN ITTO
ACTIVITIES IN LATIN AMERICA/CARIBBEAN THROUGH THE
SERVICES OF A FIELD OFFICER (US\$46,500.00)

PPD 50/91 (I) PROVISION OF ASSISTANCE FOR REASSESSMENT AND
REFORMULATION OF ZAIREAN PROJECT PROPOSALS
PD 205/91 (I) - NATIONAL SAW MAINTENANCE CENTRE
AND PD 209/91 (I) - STUDY OF ZAIREAN TIMBER WITH
A VIEW TO PROMOTING CERTAIN SPECIES
(US\$40,000.00)

Activity: PROTECTION OF TROPICAL FORESTS AGAINST FIRE
[Document ITTC(XI)/13]

3. Authorizes financing of the following Pre-Projects for immediate implementation:

PPD 44/91 Rev.1 (F)

/...

PPD 48/91 (I)
PPD 49/91 (I)
PPD 50/91 (I)

4. Authorizes financing for immediate implementation as soon as earmarked funds are available in the Special Account, of the following Pre-Projects approved at this Session:

PPD 43/91 Rev.1 (F)
PPD 47/91 (F)

5. Appreciates the contributions from donors to implement the following activities:

Activity: PROTECTION OF TROPICAL FORESTS AGAINST FIRE
[Document ITTC(XI)/13]

Activity: THE ECONOMIC LINKAGES BETWEEN THE INTERNATIONAL TRADE IN TROPICAL TIMBER AND THE SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS [Document PCM(VIII)/10] [Decision 1(X).4a]

6. Recognizes that the provisions of Decision 5(XI) will apply to the projects, pre-projects, and activities approved by this Decision.

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

8. Appeals to Members to consider making unearmarked contributions to the Special Account and decides that such contributions shall not be allocated for any approved Projects without the prior authorization of the Council.

9. Requests the Executive Director to enter into 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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4 December 1991

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ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 2(XI)

RATIONALIZATION OF THE PROJECT CYCLE

The International Tropical Timber Council,

Reaffirming that the successful implementation of projects, appropriately focused on priority areas, is of the utmost importance to the Organization;

Further reaffirming ITTO Members' commitments to trade in tropical timber from sustainably managed resources by the Year 2000, and the framework for action established by Decision 3(X);

Acknowledging that, in order to achieve the Year 2000 Target, appropriate attention should be given to the profitable manufacturing and marketing of forest products, in addition to the focus on forest management and conservation;

Recalling the invitation to Members to support such projects through the Special Account;

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

Having considered document ITTC(XI)/5, containing proposals for cooperation among Members towards contributions from the Special Account to individual Member States for more effective preparation of project and pre-project proposals:

Decides to further rationalize the Project Cycle;

Urges Members to submit project proposals, which conform with ITTO Member Countries strategic plans and the Council's established priority areas for achieving trade in tropical timber from sustainably managed resources by the Year 2000;

Requests Members to submit project proposals in the fields of research and development, market intelligence, further and increased processing in developing producing member countries, in reforestation and forest management;

/...

Encourages Members to use the expert facility available under project PD 73/89 (M,F,I) for ITTO cooperation in the identification and formulation of such projects;

Further encourages Members to join existing voluntary contributors to the Special Account for the funding of projects, pre-projects, and activities, whose objectives are to improve the efficiency and effectiveness of project identification and formulation;

Acknowledges that certain revisions to project proposals that Member Countries choose to undertake, may be difficult to complete before the ensuing Council Session. Where significant modifications have been suggested and where the Member Country has incorporated these suggestions, the proposal will be considered as a matter of priority at the following Session;

Recommends that, in its technical report, the Expert Panel on the Technical Appraisal of Project Proposals be more detailed and specific to the relevant sections of the project document in its recommendations for the reformulation and/or improvement of the submitted proposals.

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4 December 1991

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28 November - 4 December 1991
Yokohama

DECISION 3(XI)

ARRANGEMENTS FOR RENEGOTIATION OF ITTA, 1983

The International Tropical Timber Council,

Recalling its Decision 4(X) of 6 June 1991 which extended the ITTA of 1983 until 31 March 1994;

Recognizing the need to consider planning for a successor Agreement to the ITTA of 1983 in order to facilitate an orderly transition to a new Agreement;

Noting the Secretariat Document ITTC(XI)/12;

Further noting that this decision does not prejudice the decisions of governments with respect to any other consultations and negotiations;

Decides to:

1. Request the Executive Director to convene a meeting of ITTO member states, and such other states as the Council shall decide to admit, to act as a Preparatory Committee to conduct Consultations with a view to eventual negotiation of a successor Agreement for 11-16 November 1992;
2. Arrange a second meeting of the Preparatory Committee to be held from 25 January to 1 February 1993;
3. Request the Executive Director to in turn request the Secretary General of the United Nations Conference on Trade and Development to notify respective member states of the proposed schedule of meetings; and
4. Advise the Secretary General of the United Nations Conference on Trade and Development in order to arrange negotiating conferences on 13-17 April 1993 and 22-26 June 1993 to establish the text of the proposed Agreement.

/...

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4 December 1991

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ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 4(XI)

ESTABLISHMENT OF A FINANCE COMMITTEE

The International Tropical Timber Council,

Recognizing ITTO's position as an important international institution,

Having considered the established practice in international organizations of elected member countries holding responsibility for the periodic consideration of proposals which impact on annual administrative budgets,

Having regard to discussions at the Tenth Council Session in Quito [recorded on pages 19 and 20 of document ITTC(X)/20],

1. Decides to establish a Finance Committee which would have the following mandate:
 - a. to examine the annual budget proposal;
 - b. to examine budgetary implications of the annual work plan;
 - c. to review ITTO revenues and the extent to which they constrain the work of the Secretariat;
 - d. to make recommendations to the Council on actions that might be taken to secure the resources needed to implement the work programme.

The Finance Committee would also have a role in reviewing annual audited statements and draft decisions that may have implications for the Administrative Budget.

2. Decides that the Finance Committee should be open to all producer and consumer member countries under the chairmanship of a member country representative elected annually, the first Finance Committee to be formed at the Twelfth Session of the ITTC.

3. Decides that the Finance Committee should organize its meeting during Council Sessions.

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4 December 1991

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ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 5(XI)

FINANCIAL RULES AND
RULES RELATING TO PROJECTS

The International Tropical Timber Council,

Affirming the importance of project activities as described in Article 23 of the ITTA, 1983,

Reaffirming the Financial Rules and Rules relating to Projects as set forth by the Council at its Third Session in document ITTC(III)/17,

Having considered Decision 2(X) of the Council at its Tenth Session, and in particular paragraph 8 of Annex 2, being adjustments to the project cycle which came into force on 1 July 1991,

Desiring to clarify the interpretation of the above-mentioned paragraph 8 of Annex 2 to Decision 2(X),

Defines ITTO Secretariat Costs Related to Projects as comprising the costs of:

- (a) monitoring progress in the implementation of projects, including remuneration and travel expenses of consultants and experts and travel expenses of ITTO staff on missions directly related to specific projects;
- (b) evaluating the achievements of projects either after completion or at the end of a distinct phase, including the payments and expenses of the kind specified in a) above;
- (c) administering the project, including the expenses of telecommunications, bank charges, and costs of financial control.

Reiterates that all ITTO Secretariat costs related to Projects shall be charged to the Project budget, as agreed in paragraph 8 of Annex 2 to Decision 2(X).

/...

Decides that, as from the date of this decision, monitoring and evaluation costs {(a) and (b) above} shall be specified in the project document based upon the actual needs of the project, and administrative costs {(c) above} shall comprise five percent of the total project budget. Administrative costs should be commingled for general use of all projects under the heading "Programme Support" in the Special Account, but monitoring and evaluation costs must be specified for each project.

Further decides that for projects where ITTO is the executing agency the sum of monitoring, evaluation, and administrative costs shall not exceed ten percent of the project budget but that the administrative costs may exceed five percent of the project budget should the special needs of the project require this.

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ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 6(XI)

SUSTAINABLE FOREST MANAGEMENT I

The International Tropical Timber Council,

Recalling the Council's commitment to the Year 2000 Target in Decision 3(X);

Commending the Expert Panel on Possible Methods for Defining General Criteria for and Measurement of Sustainable Tropical Forest Management for its report;

Appreciating the support of the Governments of The Netherlands and Japan for the work of the group;

Noting the importance of defining Sustainable Tropical Forest Management as a contribution to the Global interest in protecting the tropical forests;

Further Noting the critical importance of such a definition to the maintenance and enhancement of trade in tropical timber;

Decides:

1. to request the Executive Director to publish and transmit the text of the Annex to relevant international organizations and fora;
2. to invite producing and consuming member states to submit papers for the purpose of refining the text contained in the Annex to the Council for circulation to other member states for consideration at the XII Council meeting;
3. to request the delegations to nominate experts to a Consultative Panel, composed of six producing country members and six consuming country members, to examine the issues relevant to sustainable management during the Twelfth Session; and
4. to consider the results of the Panel at the Twelfth Session of the Council.

Annex

Sustainable Management of Tropical Forests

Sustainable forest management is the process of managing permanent forest land to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment.

Criteria for Sustainability

Introduction

The list of Criteria and Examples of Indicators below is neither exhaustive nor exclusive. Moreover, all of the Examples of Indicators do not need to be measured to establish sustainability or the degree to which it has been achieved.

It must be emphasized that determinations of sustainability and, therefore, use of the following list must be specific to each nation or each management unit.

Sustainability at the National Level

Criteria

Examples of Indicators

The Forest Resource
Base

- Comprehensive land use planning and provision for the Permanent Forest Estate (PFE).
- Present area of the PFE in relation to national goals and targets.
- Plantation establishment targets, present age class distributions, and annual planting regimes.
- Areas of Protection Forests and Production Forests within the PFE.
- The representativeness of the protected areas network and the current or planned reservation programme.

The Continuity of Flow
of Forest Products

- National production statistics over time.
- Documentation of logging (area) histories over time.
- Proposed cutting cycle lengths for major forest types, and standard concession lengths.
- Regulation of initial harvesting rates in relation to defined cutting cycles and net area of production forest.
- Regulation of subsequent harvesting in relation to defined cutting cycles, increment data and the net area of production forest.
- Steps taken to harmonize the first and subsequent cutting cycles and manage the transition from the first to the second cutting cycle.
- Wood production targets over time from various sources.
- The availability of silvicultural prescriptions for the major forest types.

The Level of
Environmental Control

- Management prescriptions for other non-production components of the PFE.
- The availability of engineering, watershed protection and other environmental management prescriptions for production forests.
- Availability of environmental assessment procedures.

Socio-Economic Effects

- Employment patterns and trends.
- Income generation and distribution patterns.
- National revenue and expenditure budgets for forest management.
- Availability of environmental assessment procedures.

Institutional Frameworks

- Existence of a national forest policy.
- The relationship of national policy to ITTO Guidelines.
- Adequacy of the legislative framework to implement national forest policies and management plans.
- Adequacy of legislation to regulate harvesting and manage specific instruments eg, concession agreements.
- Adequacy of human and financial resources to meet legislative and administrative responsibilities in sustainable forest management.
- Community consultation.
- Existence of management plans and provisions for their implementation.

Sustainability at the Level of the Forest Management Unit

Criteria

Examples of Indicators

Resource Security

- The legal establishment of forest areas or management units.
- Existence of a management plan.
- Clear demarcation of boundaries in the field.
- The presence or absence of illegal exploitation and encroachment.
- The duration of concession agreements.

The Continuity of Timber Production

- The presence of clear, official harvesting rules.
- Long term soil productivity.
- A pre-logging stand inventory.
- The number of trees and/or volume of timber per ha harvested.
- Provision for monitoring the residual growing stock after logging.
- Records of annual product outputs over time
- Net productive area.
- Records of annual areas cut over time.

The Conservation of
Flora and Fauna

- Protection of eco-systems in the concession or management unit.
- The extent of vegetation disturbance after logging.

An Acceptable Level of
Environmental Impact

- Extent of soil disturbance.
- Extent and spatial distribution of riparian and other watershed protection areas
- The extent and severity of soil erosion
- Provision for protection of bodies of water.

Socio-economic Benefits

- The number of people employed.
- The nature and extent of benefits from forestry activities.

Planning and Adjustment
to Experience

- Community consultation.
- Arrangements for Forest Management to take into account traditional forest utilization.

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GENERAL

ITTTC(XI)/21
4 December 1991

Original: ENGLISH

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 7(XI)

SUSTAINABLE FOREST MANAGEMENT II

The International Tropical Timber Council,

Reaffirming ITTO Member States' commitments to sustainable management and utilization of tropical forest resources;

Recalling ITTC Decision 3(X), paragraphs 2(f) and 3(b) in which the ITTC decided to adopt and implement the Strategy by which, through international collaboration and national policies and programmes, ITTO Members will progress towards achieving sustainable management of tropical forests and trade in tropical timber from sustainably managed resources by the year 2000;

Further recalls its undertaking to assess the resources needed by producer countries to attain the sustainable management of tropical forests by the Year 2000 Target. This will be achieved through a systematic approach which will identify the obstacles to and the solutions for attaining sustainable forest management and the time-stream of costs and benefits in implementation of the Year 2000 Target. This will be coordinated by a panel of experts selected by the Council;

Also recalls its undertaking to study with the assistance of an Expert Panel an estimate of the resources needed by producer countries to attain sustainability by the year 2000 and to report on progress at each Council Session;

Noting that an Expert Panel to Define Possible General Criteria for and Measurement of Sustainable Tropical Forest Management has been convened;

Decides:

1. to request the Executive Director to convene immediately a Panel composed of six producing country members and six consuming country members to estimate the resources needed by producer countries to attain sustainable management of tropical forests by the Year 2000, consistent with Council Decision 3(X);

/...

2. to request the Executive Director to seek funding through the Special Account for producing country members' participation and associated expenses;
3. to request the Executive Director to report on the Panel's work at the Twelfth Session of the Council.

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4 December 1991

Original: ENGLISH

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 8(XI)

APPOINTMENT OF THE EXECUTIVE DIRECTOR

The International Tropical Timber Council,

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

Referring to its Decision 2(VII) which extended the appointment of Dato' Dr. Freezailah bin Che Yeom for a further term of two years with effect from 1 April 1990 to 31 March 1992,

Decides, in accordance with Article 16 of the International Tropical Timber Agreement, 1983, to extend the appointment of Dato' Dr. Freezailah bin Che Yeom for another term of two years from 1 April 1992 to 31 March 1994.

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ITTC(XI)/23
4 December 1991

Original: ENGLISH

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 9(XI)

ITTO GUIDELINES ON THE CONSERVATION OF
BIOLOGICAL DIVERSITY IN TROPICAL PRODUCTION FORESTS

The International Tropical Timber Council,

Considering the Report of the Working Group on formulation of ITTO Guidelines on the Conservation of Biological Diversity in Tropical Production Forests in Document PCF(IX)/10 and its revisions,

Taking note of the Report of the Permanent Committee on Reforestation and Forest Management of its Ninth Session as contained in document PCF(IX)/18,

Recognizing that the entire subject of biodiversity conservation is under consideration in the context of the preparations for UNCED 1992,

Recognizing further that decisions taken at or arising from UNCED 1992 might have implications for the further actions of international organizations in this field,

Considering the ITTO's responsibilities in regard to the Guidelines on Sustainable Management of Natural Tropical Forests require clearer guidance on the conservation of biodiversity as an integral component of the sustainable management of these forests,

Decides to:

1. Endorse the recommendation that any guidelines that might be developed as to the conservation of biological diversity under the auspices of ITTO should be designed for incorporation into the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests,
2. Request the Executive Director to submit to the Member countries the draft of guidelines for the conservation of biological diversity to serve as a working paper for further comments which could be submitted for possible consideration at the Thirteenth Session of the ITTC.

/...

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4 December 1991

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ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DECISION 10(XI)

APPOINTMENT OF AUDITOR FOR
THE 1991 FINANCIAL YEAR ACCOUNTS

The International Tropical Timber Council,

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

Decides to appoint the firm named below to audit the Accounts of the Organization for the Financial Year 1991.

Arthur Andersen & Co., S.C., -- Eiwa Audit Corporation
Nihon Seimei Akasaka Building
1-19, Akasaka 8-chome
Minato-ku, Tokyo 107
Japan

Annex V

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

{ Documents: PCM(IX)/7 Rev.1
PCF(IX)/18 Rev.1
PCI(IX)/6 Rev.1 }

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PCM(IX)/7 Rev.1
3 December 1991

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NINTH SESSION
28 November - 4 December 1991
Yokohama, Japan

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

NINTH SESSION OF THE PERMANENT COMMITTEE ON
ECONOMIC INFORMATION AND MARKET INTELLIGENCE

Table of Contents

Report

Appendix I - Technical Evaluation of Project and Pre-Project Proposals

Appendix II - Tabular Presentation of Technical Evaluation of Projects

1. Opening of the Session

The Ninth Session of the Committee was opened on 28 December at a Joint Session of all three Permanent Committees under the chairmanship of Mr. Baharuddin Ghazali (Malaysia), Chairman of the Permanent Committee on Forest Industry. The List of Participants is reproduced in document ITTC(XI)/Info.4 Rev.1.

2. Adoption of Agenda and Organization of Work

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

3. Admission of Observers

The List of Observers admitted by the Committee is reproduced in document ITTC(XI)/Info.5 and ITTC(XI)/Info.5 Add.1.

4. Report on Project Work in Progress

The Committee considered a Report [document PCM(IX)/3] prepared by the Secretariat on the progress or status of projects approved for financing and implementation by the Council. Certain salient additional comments made on various projects are reported under the appropriate section.

- | | |
|-------------------------|---|
| (i) PD 7c/87 Rev. 1 (M) | Statistical Information and Market Indicators: c. Market News Service for Tropical Timber and Timber Products |
|-------------------------|---|

The Committee took note of the report on this project which would reach its term in January 1992 unless a proposal submitted for its continuation [PD 173/91 (M)] was approved for immediate financing and implementation.

- | | |
|--------------------------|--|
| (ii) PD 42/88 Rev. 1 (M) | The Structure of China's Tropical Timber Market, the Current Situation of International Co-operation of PRC, and the Prospects for the Year 2000 |
|--------------------------|--|

The Committee took note of additional information provided by the Statistician who had gone on a mission to China to discuss the implementation of the Project with the implementing agency.

- | | |
|--------------------|---|
| (iii) PD 82/90 (M) | Workshop on Issues Related to Incentives to Promote Sustainable Development of Tropical Forests |
|--------------------|---|

The Secretariat reported that arrangements for the Workshop were proceeding well. The Representative of Australia announced that this Government had decided to pledge twenty-thousand Australian dollars (A\$20,000) to co-finance the Project and to assist in organizing the Workshop at the University of Melbourne.

- (iv) PD 118/90 (M) Training Workshop on Tropical Forestry
and Timber Trade Statistics

The Statistician verbally gave additional information on the successful outcome of the first Workshop organized for French-speaking African producing members at the University of Dschang, Cameroon. Some of the participants had agreed to serve as correspondents to assist in preparing country responses to the ITTO Annual Forecasting Enquiry. The second Training Workshop was being planned for Spanish-speaking producing members sometime in June/July 1992 in a Latin American Country.

- (v) PD 124/91 Rev. 1 (M) Study on the Substitution of Bamboo for
Tropical Timber as Raw Material in
China

The Statistician who had been on a mission to China gave additional information on preparations already taking place to implement the Project. He reported that China was committed to undertake the Study.

- (vi) PD 158/91 Rev. 1 (M) Market Intelligence: Analysis of the
Wood Flow as a Basic for an Early
Warning System for the Tropical Timber
Market - Phase II: Testing the System

The Committee took note of the report on this project given by the representative of SBH, the implementing agency.

- (vii) PD 66/89 (M) Study of the Trade and Markets for
Tropical Hardwoods and Derived
Manufactures in North America

The Representatives of Canada and USA informed the Committee that their respective Forest Services had decided to undertake the Study for the ITTO. They were currently working closely to define the terms of reference for the Study and to agree on the modalities of joint financing of the Project.

The Committee welcomed the decision and looked forward to a start-up of the Project as promised.

- (viii) PD 7a/87 Phase II,
Rev. 1 (M) Statistical Information and Market
Indicators: a. Development of the
Monthly Bulletin, Tropical Forest
Products in World Timber Trade - Phase
II

The Representative of FAO reported that as matters stood the FAO had allocated some limited funds to continue publishing the Monthly Bulletin until 1992. Thereafter its continuation would depend on the expression of interest on the part of the ITTO to support the efforts of the FAO in this connection.

The Committee took note of this and expressed an interest to see the implementation of the Project through FAO's funding. The financing of the first phase and the approval of the second phase by the Council was a clear and firm testimony of ITTO's interest in seeing the implementation of this Project.

(ix) PD 1/87 (M)

Structure of Tropical Timber Market in Belgium-Luxembourg, Federal Republic of Germany, Netherlands and United Kingdom and Methods to Study the Main End -Use Segments

The Committee received copies of a FAO Report commissioned from Mr. R.J. Cooper of the University of Wales entitled "High-Value Markets for Tropical Sawnwood, Plywood and Veneer in the European Community." The Study had been conducted as a component of this Project. The Committee welcomed this Study Report as a first step in the eventual possible formulation of a joint ITTO/FAO Study on tropical timber markets. At an opportune time the FAO and ITTO might consider formulating a revised project to complement the output of the Cooper Study and the ongoing work under PD 14/87 (M) and PD 158/91 Rev.1 (M).

5. Report on Completed Pre-Projects

As decided by the Committee at its Eighth Session, there was a debate on one completed Pre-Project: "The Conservation Status of Tropical Timbers in Trade". The Representative of WCMC, Dr. Mark Collins, introduced the Pre-Project Report, PPR 23/91 (M).

He outlined the global context of the report, and then went on to consider practical measures for ITTO's consideration. He noted that threats to bio-diversity were worldwide, but that ITTO had special knowledge about tropical timber trees, and was in a position to support initiatives such as current inter-governmental negotiations for a Convention on Biological Diversity, and others with a wider perspective in the field of bio-diversity conservation. ITTO could proceed at two levels, he suggested. At the general level, ITTO should continue to gather data on timbers in decline, improve the database, and extend it to a wider user community. At the more detailed level, ITTO should identify key species for which recovery plans should be prepared.

He requested that the draft project proposal "Expansion and Application of the Database on the Status of Tropical Timber Species in Trade" [PD 211/91 (M)] be considered in order to complete the first level of global data-gathering, and that more specific action could then follow on, once priorities had been identified. It was recognized that there are difficulties in gathering data on timber species of conservation concern, both in terms of quality and quantity, but it was felt to be essential to continue gathering the best information available.

In the ensuing general discussion views were expressed on the question of the reliability of data. Some of the data could be used as evidence to limit the trade in certain species; and it was therefore essential to obtain reliable data. It was important therefore to undertake wider consultations on how to improve the reliability of the data before any further work could proceed. The Committee agreed to take note of the Pre-Project Report.

6. Consideration of Project Proposals

The Committee considered the following four Project Proposals submitted to it following their appraisal by the Panel of Experts:

(i) PD 167/91 (M)

Diagnosis and Evaluation of the Brazilian Forestry Sector

/...

- | | |
|--------------------------|--|
| (ii) PD 173/91 Rev.1 (M) | Market News Service for Tropical Timber and Timber Products, Phase II |
| (iii) PD 182/91 (M) | Analysis of Macro-economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber, Phase I: Analysis of the Asia-Pacific Region |
| (iv) PD 211/91 (M) | Expansion and Application of the Database on the Status of Tropical Timber Species in Trade |

Details on the technical evaluation of the projects are given in Appendix I.

7. Decision on Pre-Project Work

The following two Pre-Project Proposals were submitted to the Committee following their appraisal by the Panel of Experts:

- | | |
|--------------------|--|
| (i) PPD 45/91 (M) | Feasibility Study on the Compilation of an English/French Dictionary of Forestry and the Environment |
| (ii) PPD 46/91 (M) | Development of a Computerized Trade Information System for ITTO Producing Country Members |

The details of the technical evaluation of the Pre-Project Proposals are given in Appendix I.

8. Decision on Fellowship Applications under Project PD 60/89 (F,M,I)

A Selection Panel, comprising the Vice-Chairman of the Council, the Chairmen and Vice-Chairmen of the Permanent Committees, reviewed applications so far received for fellowships. The Selection Panel's recommendations appear under the appropriate section of the Report of the Permanent Committee on Forest Industry.

9. Non-Project Work

A. ITTO Activity Reports

The Committee considered the following ITTO Activity Reports:

- | | |
|-----|--|
| (i) | The Economic Linkages Between the International Trade in Tropical Timber and the Sustainable Management of Tropical Forests [PCM(VIII/10)] |
|-----|--|

The representative of the Netherlands presented the details of the project activity report to the Committee. The Committee took note of the report and requested that the results of the forthcoming "Workshop on Issues Related to Incentives to Promote Sustainable Development of Tropical Forests" [PD 82/90 (M)] should be considered as an input into the study.

- (ii) Study of the Feasibility of Strengthening Incentives for the Management of Tropical Moist Forest for Sustained Production in a Producer Country [PCF(VIII)/17]

The representative of the U.K. announced that Ghana had been selected as the target country for the study and that consultations had taken place to formulate the details of the project activity. The representative of Ghana confirmed that his Government was working closely with the U.K. to formulate and implement the study.

- (iii) Forest Accounting: Monitoring Forest Condition and Management [PCF(VIII)/16]

The representative of U.K. presented this project activity report. Contacts were being made to secure the firm co-operation of two target producing countries to implement the project study which would be conducted by the IIED and the WCMC.

B. Annual Forecasting Enquiry

The Secretariat informed the Committee that it had transmitted the revised questionnaire for the Annual Forecasting Enquiry to members in August 1991. The deadline for the submission of the replies was 15 November 1991. To date six replies had been received from Consuming Countries and five replies from Producing Countries. This development was promising and it was necessary for other members who had not sent in their replies to do so as soon as possible. In connection with the preparation of country responses there had been an encouraging response to the Secretariat's call on members to nominate official correspondents for the purpose. So far nineteen country correspondents have been nominated.

10. Review of ITTO Work on Lesser Known Species (Joint Session)

The item was taken up in a Joint Session of all three Permanent Committees under the chairmanship of Mr. Erik Lammerts van Bueren, Chairman of the Permanent Committee on Reforestation and Forest Management. The outcome of the deliberations on this item appears under the appropriate section of the report of the Permanent Committee on Reforestation and Forest Management.

11. Election of Chairman and Vice-Chairman for 1992

Following usual consultations conducted by the Chairman of the Council with the Producing and Consuming groups, the Committee elected Dr. Toga Silitonga (Indonesia) as Chairman of the Committee for 1992 and Mr. Arthur V. Morrell (U.K.) as Vice-Chairman.

12. Dates and Venue of the Tenth Session

The decisions on this item were to be taken by the Council.

13. Any Other Business

No matters were raised under this item.

14. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

- (i) That PD 167/91 (M) be approved for immediate implementation as revised;
- (ii) That PD 173/91 Rev.1 (M) be approved for immediate implementation;
- (iii) That PD 182/91 (M) be approved for immediate implementation as revised, as well as a modification of the title to read:
"Analysis of Macro-economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber from the Asia-Pacific Region - Phase I."
- (iv) That the terms of PD 211/91 (M) be appropriately reviewed in the light of modifications proposed by interested parties in order to address the deficiencies in any future proposed follow-up project.

15. Report of the Session

The Committee adopted this Report for submission to the Council.

APPENDIX I

TECHNICAL EVALUATION OF PROJECT AND PRE-PROJECT PROPOSALS

PD 167/91 (M)

**Diagnosis and Evaluation of the Brazilian
Forestry Sector**

This project proposes to undertake a diagnostic census of the Brazilian forestry sector and to prepare comprehensive statistical reports for each of the country's 27 states. These reports will consist of the following sections:

- (i) The forestry sector in the economy
- (ii) Forest resources
- (iii) Forest reserves
- (iv) Market diagnosis
- (v) Primary production profile (by species, ownership, etc.)
- (vi) Secondary production profile
- (vii) Labor (supply and demand)
- (viii) Research and development
- (ix) Forestry institutions
- (x) Forest legislation and policies

Data will be collected through large-scale surveys in each state and in collaboration with forestry authorities. The project is designed as a follow-up to a 1982 Forestry Diagnostic which was an update of a 1978 Project of Forestry Development and Research. The results of the earlier study are now out-dated and in need of revision.

Comments and Recommendations of the Panel

The Panel recognized the need to update the previous IBDF Forestry Diagnostic Study of 1982. They reviewed, therefore, possible avenues for undertaking such an exercise, whether through national, bilateral or multi/bilateral channels. It was noted that Brazil had as yet not requested to undertake the TFAP process; the current EEC/World Bank Project (under G7 aegis) in Brazil's forestry sector was expected to be of more limited scope and could only be considered as complementary to the proposed national forestry diagnosis. The Panel underscored the vast scope of the Project, involving as it does, study reports on Brazil's 27 States. They emphasized the value of the Project in view of the strategic importance of Brazil as the world's largest tropical forest resource. The project was of potential value in providing significant and useful information of global interest. In that regard it had relevance for implementing the ITTO's Action Plan. The Panel also recognized the fact that the Project would be jointly implemented by a Government Agency (IBAMA) and conservation non-governmental organization (FUNATURA). Such co-operation was commended as a positive dimension to the significance of the Project.

The Panel, however, raised queries over several aspects of the design and methodology, as set out in the draft Project document:

- a) The Study must be preceded by a comprehensive literature survey to draw upon the existing relevant body of knowledge and studies. Sources of information such as FAO, EEC/World Bank Consortium and other relevant agencies should be consulted.

/...

- b) There is need for greater details, specifically additional information on the extent of the participation of IBAMA.
- c) There must be clearly set out relevant information on the environmental and conservation objectives of the Study. In this regard "forest conservation" and "environmental impact assessment" must be clearly set out in the project document as proposed outputs of the Project.
- d) The survey's output should indicate coverage of other non-wood values of the forest.
- e) The role and interests of the local population in and around the forest must be indicated in the Project document.
- f) The items of the Project Budget must be clearly explained and justified.
- g) There was need to review and possibly reduce the cost of the Project in such budget areas as: Printing and Publishing costs; Seminars/Workshops.

Subject to the incorporation of the above essential modifications, the Panel considered that the draft Project should be commended to the Committee for final appraisal and approval.

Assessment of the Revisions and Appraisal by the Committee

The Committee considered the revisions submitted by Brazil in response to the Panel of Experts. The Committee recognized the need for the survey as a basis for Brazil's policy response to the ITTO's Target 2000, in particular. It welcomed NGO participation in the Deliberation Committee to be established as a higher forum for decision-making and supervision of the implementation of the Project. The Committee recommended that the Project be approved for immediate implementation.

PD 173/91 (M) Market News Service for Tropical Timber and Timber Products, Phase II

The project proposes to continue and improve the Market News Service for Tropical Timber (MNS), implemented since January 1990 under PD 7c/87 (M). The project would allow continuation of the fortnightly publication of the MNS for a further period of 2 years (January 1992 to December 1993). The major improvements/changes proposed over this period are:

- (i) improved network of correspondents in all regions
- (ii) improved dissemination/distribution system, utilizing sub-contractor organizations where possible
- (iii) improved data base linkages with the ITTO Secretariat
- (iv) wider scope, incorporating information on lesser known species, value added products and freight rates
- (v) a paying subscription system to offset operational costs.

The project also commits sufficient budget resources to allow training of a Secretariat representative in the operation of the Service. This training was originally scheduled to occur under PD 7c/87 (M) but was delayed due to ITTO staff shortages.

Comments and Recommendations of the Panel

The Panel was of the view that the objective of the MNS Project would ultimately lead to increased market transparency. For that reason it was central to ITTO's unique role in improving market transparency. The extent of the MNS achieving this objective, however, will depend to a large measure on its usefulness, the co-operation of member States and of the trade and their readiness to assist in financing its operations through a system of subscriber fees and/or other mechanisms. The Panel noted that there were at this stage some reservations on the part of certain members on the overall usefulness of the Service, in view of its current inadequacies.

The Panel recommends that the MNS should be continued for the next proposed phase of two years in view of its potential. This recommendation is based on the clear understanding that,

- a) the necessary provision for a Project Steering Committee should be spelt out in the Project Document in conformity with the recently agreed amendments to the Project Cycle, as contained in Council's Decision 2(X) Annex 2 (Section 3);
- b) the Project Steering Committee should, early in the period of the second phase, undertake an evaluation of the MNS, in particular, conducting a user survey, addressing gaps and deficiencies in its operation and content, and the modalities of securing funds to offset the costs. The cost of the evaluation should be met within the budget for the Project.

While these relatively minor amendments were considered desirable, the Panel concluded that the draft project proposal should be commended to the Committee for final appraisal and approval.

Assessment of the Revisions and Appraisal by Committee

The Committee appraised the revised Project. It considered that the MNS provided a useful service in promoting market transparency. In order to ensure that the recognized deficiencies were addressed, the Committee requested that an independent evaluation of the MNS should be undertaken at the start of the second phase. The evaluation should include a user survey, and address gaps and deficiencies in the operation and content of the MNS, in particular to improve, to the maximum extent possible, the quality of traded prices quoted. The Committee recommended the project for approval and immediate implementation.

PD 182/91 (M) **Analysis of Macro-economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber - Phase I: Analysis of the Asia-Pacific Region**

The project proposes to provide macro-level estimates of the availability of and trade in sustainably produced tropical timbers to the year 2000 and beyond. The first phase of the project will focus on the Asia-Pacific region. The project would assist policy-making and planning in all member countries. It would result in a database of sustainable timber supplies in the Asia-Pacific region and a macroeconomic econometric model capable of forecasting demand and trade flows. These outputs would be summarized in a report to be submitted to Council and to be made available to members.

Comments and Recommendations of the Panel

The Panel reviewed the nature and scope of the project and its relevance to ITTO's Action Plan in the area of trends and prospect studies. They were informed of similar Studies relating to the macro-economic and micro-economic trends in the African region, being undertaken with the financial sponsorship of the Ministry of Co-operation and Development of France. The macro-economic study had been completed and is published by the ENGREF, Nancy, France. The micro-economic study, being carried out by the CTFT, is expected to be completed by the end of January 1992. These Studies should be useful sources of reference and information in any future ITTO trends and prospects studies of the Africa region. The French experience in carrying out the Studies was considered a useful guide for implementing this ITTO Project, in particular the focus not only on the sustainable trade, but also on its environmental impact assessment.

The Panel further discussed the immense scope of the Project, and the difficulties in getting a good handle on the data to be collected under the various scenarios envisaged for developing the econometric model capable of forecasting demand and trade flows.

- a) The Panel considered that it was necessary and timely for the ITTO to embark on such economic trends and prospect studies, in spite of the considerable difficulties to be faced in collecting and analyzing the required data. It was important to recognize that the exercise would not just be a "one off" study but rather, an initial study to be continued, developed, up-dated and refined with time. In this connection, the objectives of the Project should be stated to reflect an initial, limited and albeit perhaps incomplete, sampling of the Region, and realistic expectations in the light of the time-scale and difficulties of getting adequate data.
- b) It should be preceded by the necessary literature survey, taking into account other useful work on econometric model development. The Study should also benefit from the body of experience and knowledge available in existing institutions in U.K., U.S.A., and France where similar studies are being undertaken. Contacts with such institutions would be necessary to secure their co-operation. The final report of the ITTO Working Group on Defining the Criteria for and Measurement of Sustainable Forest Management would provide useful guidance to the work and should be taken into account.
- c) The total cost of the Project must be reviewed in the light of the above considerations. Budget line 6: "Computer time/rental", for example, requires explanation and possible revision, since the estimated cost appears rather high.

Subject to incorporating these essential aspects as recommended above, the Panel concluded that the draft project proposal should be commended to the Committee for final appraisal and approval.

Assessment of the Revisions and Appraisal by the Committee

There were views expressed in the Committee about the wide scope of the project and the limited time set for completing the study. In that connection it was felt that the target date for completing the study was too optimistic. It was however pointed out that the focus of the study would be limited to major consuming and producing countries. It was

essentially a trends and prospects study from which will be developed an econometric model as a tool for policy formulation.

The representative of Indonesia pointed out that if the study was not properly conducted its results could hold out detrimental political ramifications for producing countries which espoused the ITTO mandate to pursue further processing in producing countries. He called for the study to focus on examining the factors affecting the relocation of wood-processing industries from consuming countries to producing countries and to make appropriate recommendations. It was finally agreed to revise the terms of reference for the study as spelt out in the Project Document, under Part II section 4 Activities. - sub-section (iii) to read: "Collate information on factors affecting wood processing development in producing countries, particularly with respect to investment, incentive-and industrial expansion policies, including the relocation of wood-processing industries from the consuming countries in the region."

It was also agreed that to clarify the scope of the study the title of the Project should be modified to read "Analysis of Macro-economic Trends in the Supply and Demand of Sustainably Produced Tropical Timber from the Asia-Pacific Region - Phase I."

With these revisions and amendments, the Project was recommended for approval and immediate implementation.

**PD 211/91 (M) Expansion and Application of the Database on the
 Status of Tropical Timber Species in Trade**

The project proposes to complete the geographical coverage of the Tropical Timber Conservation database, extending its coverage to Latin America and Oceania. African and Asian species were included in the database as described in the report of the pre-project (PPR 23/91) which gave rise to this proposal. This project also proposes to supplement and improve data on these regions. The work will involve the identification of species threatened with biological and/or commercial extinction, and existing measures for their *in situ* conservation. The second phase of the project proposes a mechanism for monitoring conservation status and trade levels of species of conservation concern on a continuing basis. Reports on conservation status and trade in species of conservation concern will be prepared for the consideration of the Council.

Comments and Recommendations of the Panel

The Panel took note of the Pre-Project Report PPR 23/91 (M) "Study on the Conservation Status of Tropical Timbers in Trade" of which the draft Project PD 211/91 (M) is a follow-up. In the light of that report and the proposed outputs of the draft Project, the Panel recognized the essential importance and significance of such Studies to ITTO's unique role as an interface between utilization and conservation of tropical forest resources. It is, however, evident that information generated by such studies can have "double-edged" repercussions. While the data-base is intended to become the internationally accepted basis for conservation, the inclusion of information of dubious validity may risk having adverse and unjustified repercussions on the tropical timber trade and economy and weaken the influence of the study in achieving its objectives. In the view of the Panel, the ITTO should support Studies in this area which, properly carried out, could generate an invaluable and sound data-base on the tropical forest resource and the timber trade. Such studies could serve as "an early warning system" in alerting attention to policies and actions

which could endanger the genetic resources of the forest. That way policies could be promoted to encourage regeneration and conservation in sustainable forest management planning.

The Panel emphasized the importance of generating and utilizing "feed-back" information to improve the reliability of the Pre-Project Report. This is essential not only to improve the reliability of the quantified information, but also to dispel confusion due to misuse of nomenclatures. It felt that the proposed discussion of the pre-project report at the forthcoming Session offered an important opportunity to assist in this, and also to incorporate lessons learned from the discussions in the design of the proposed follow-up work.

- a) In the light of these considerations, the Panel recommended deferral of the consideration of this Project pending the scheduled full and substantive debate of the Pre-Project Report at the Eleventh Council Session.
- b) A full debate on the Pre-Project Report would provide the opportunity for careful deliberation on the action needed to improve the future studies, and to address the deficiencies and gaps in the proposed data-bank. The debate would also provide useful guidance in proposing the structure of the follow-up project which could assist the ITTO in producing the best information on the tropical forest resource base and promoting practical action in striking a balance between utilization and conservation of the resource.

The Panel concluded that, following the full discussion of the Pre-Project Report, the Committee would be in a better position to judge what appropriate steps to take in respect of the draft project proposal, including possible guidance towards its revision and re-submission.

Assessment of the Project After debate on the Pre-Project Report

The Committee debated the Pre-Project Report and proceeded to consider the Project Proposal. In spite of the request by the WCMC to continue the data-collection through this Project, the Committee felt that the Project should be modified in the light of views expressed on the difficulty of gathering good quality data. Since the data might in some circumstances be used to support proposed controls on timber trading, it was considered very important to establish the full facts with reliable quantified information. New ways of the gathering information should be explored. The Committee recommended that the Project be referred back to the submitting Government for revision and re-submission.

PPD 45/91 (M)

FEASIBILITY STUDY ON THE COMPILATION OF AN ENGLISH/FRENCH DICTIONARY OF FORESTRY AND THE ENVIRONMENT

Comments and Recommendations of the Panel

The Panel examined whether that activity and the output of the Pre-Project were relevant to ITTO's mandate; and whether it was appropriate to use ITTO funds for them. It concluded that, while not being strictly relevant to ITTO's mandate and priorities the feasibility research was a necessary activity, needed to promote and mobilize funding for a dictionary in view of the breadth and intensity of discussions of issues related to forestry and environmental development in political circles and among the public at large, as well as within the forestry profession.

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It was noted that the activities envisaged needed to be carried out without duplicating on-going work in many other relevant centers and data-bases. The idea of making provision for continuous updating, modification and re-editing must be taken into account. From the point of view of the ITTO the feasibility study should be appropriately extended to cover work on a dictionary to be compiled in French, English and Spanish. This would make it necessary to extend the scope and activities of the Pre-Project with resulting implications for additional costs. The Panel considered that the Committee and Council would be well placed to judge the importance of this activity, which is concerned with international dialogue and communication, and not in itself an aspect of forest science.

The Panel would, at this stage, only draw the attention of the Committee to the foregoing comments and recommend that the Committee judge:

- a) the degree of relevance of the Pre-Project to the objectives set out in the ITTA, the Work Programme of the ITTO Action Plan and the objectives of the Target Sustainability 2000;
- b) whether it would be appropriate to use ITTO funding for this, in view of earlier indications of difficulties in securing funding for the eventual project;
- c) whether, in the event of funding such a feasibility study, the ITTO might be serving a necessary catalytic role in promoting financing for a project which would ultimately be a useful medium of instruction and dissemination of information on forestry and related environmental subjects.

The Panel concluded that the proposed dictionary would fulfil a need already recognized within the profession, but that the appropriateness of ITTO support should be decided by the Committee and Council.

Assessment of the Revisions and Appraisal by the Committee

The requested revisions were submitted too late for the Committee to assess them. However, views were exchanged on the relevance of the Pre-Project and the appropriateness of ITTO's funding. It was also reported that there were indications of the interest of several other international organizations in financing the eventual publication of the Dictionary.

The Committee supported the need expressed to extend the coverage to Spanish. The Representative of the USSR also called for extending the coverage to Russian. The Committee invited the submitting Government to take the proposals into account while avoiding substantial increases in the cost of conducting the feasibility study.

The Committee did not proceed further with the consideration of the proposal pending future submission of revisions and other amendments as suggested in the debate.

PPD 46/91 (M) DEVELOPMENT OF A COMPUTERIZED TRADE INFORMATION SYSTEM
FOR ITTO PRODUCING COUNTRY MEMBERS

Comments and Recommendations of the Panel

The Panel, in examining the merits of the Pre-Project proposal, considered the comparative advantage of ITTO's developing the CTIS on the

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basis of the experience in setting up the Philippines trade information networks.

The Panel was unanimously of the view that, given satisfactory conditions of market information, the CTIS falls squarely within ITTO's Action Plan in the area of market information and, in particular, building up ITTO's in-house capability in market intelligence.

However, with present experiences of the scant possibilities of securing the required market information, the gaps and deficiencies in current market information make the proposal on CTIS a long-term objective. This view is reinforced by the progressive measures being undertaken by the ITTO to obtain market information through the Market News Service PD 7c/87 Rev.1 (M) and the market intelligence research under the two phases of PD 14/87 (M). To avoid overlapping activities it is vital to await progress on these projects before embarking on the proposed CTIS. Moreover information so far provided on the draft Pre-Project document was inadequate and lacked the necessary details for full technical appraisal.

- a) The Panel recognized the long term usefulness and relevance of a well-structured and tested market information system for ITTO's work. The Panel, however, had reservations on the wisdom of recommending the Pre-Project proposal for consideration by the Committee at this time.
- b) They considered it premature for the ITTO to study the possibilities of setting up such a high-technology CTIS because of the difficulty of ensuring that the required information would be available to access into such a network.
- c) In such an eventuality there was a grave risk of not obtaining good value for the funds used in the conduct of the proposed Pre-Project study.

The Panel concluded that the conditions necessary to achieve the laudable objectives of the draft pre-project could not be met at the present time, and, therefore, that its consideration would be premature.

Assessment of the Revisions and Appraisal by the Committee

There was no representative of the Philippines to provide clarifications on the statement which had been submitted in response to the queries raised by the Expert Panel. The Committee was, however, of the view that the conclusions of the Panel were valid. The Committee, therefore, did not proceed to consider the Pre-Project any further.

APPENDIX II

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

ITTC(XI)/25
page 94

PROJECT DOCUMENT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET (US\$)	DURATION (Years)	GEOGRAPHICAL COVERAGE	RECOMMENDATION
		Art.23 Para.2	Art.23 Para.3					
PD 167/91 Rev.1 (M)	a,d,f,h		a,b,c,d,e	a,b,c,d,e	1,660,000	1.5	Brazil	4
PD 173/91 Rev.1 (M)	a,b,d,g		e	a,b,c,d,e	880,000	2.0	Global	4
PD 182/91 Rev.1 (M)	a,b,d,f,h		b,c,e	a,b,c,d,e	380,000	1.0	Asia-Pacific	4
PD 211/91 (M)	a,c,f,h		b,e	a,b,c,d,e	282,990	3.0	Latin America/ Oceania	2
PPD 45/91 (M)	a,c,h		e	a,b,c,d,e	70,000	1.0	Global	2
PPD 46/91 (M)	a,d,g		e	a,b,c,e	84,000	1.0	Asia-Pacific	1

- 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 ITTO.
- 5: Recommend to the ITTC that ITTO should sponsor the proposal in accordance with Article 20.
- 6: Recommend to the ITTC that ITTO should approve the proposal for ITTO sponsorship without funding and refer it to other relevant financial institutions.

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Yokohama

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL
NINTH SESSION OF THE PERMANENT COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT
28 NOVEMBER - 4 DECEMBER 1991

Table of Contents

Report

Appendix I	Technical Assessment of Project Proposals
Appendix 2	Text of a Recommendation to Council re the Report of the Working Group on the Development of Guidelines on the Conservation of Biodiversity in Tropical Production Forests
Appendix 3	Memorandum of Understanding on the Future Management of PD 34/88.

1. Introduction

The Ninth Session of the Committee was opened, on 28 November 1991, by the Chairman of Reforestation and Forest Management, Mr. Erik Lammerts van Bueren (Netherlands).

2. Adoption of the Agenda and Organization of Work

At the first meeting on 28 November 1991, the Committee adopted the Agenda of its Ninth Session as contained in document PCF(IX)/1.

3. Admission of Observers

A list of observers admitted by the Committee to attend its Ninth Session is contained document ITTC(XI)/Info.5 and ITTC(IX)/Info.5 Add.1.

4. Review of Activities in Progress

The Committee has, at various Sessions, decided to undertake a number of Activities which are in progress. A brief report on these Activities is contained in document PCF(IX)/3.

- (i) The Committee decided, at its Fifth Session in October/November 1989, to include in the Programme of Work, contained in document PCF(V)/3-4 Rev. 2, action to "Develop Demonstration Models of Management for the Sustainable Production of Timber and Non-timber Products and Conservation". The Committee recommends that the Executive Director renew efforts to promote this activity using as appropriate the format for the management unit level that may be accepted by the Council following examination of the Hague Panel Report [ITTC (XI)/6].
- (ii) In Decision 2(VIII) the Council decided, upon recommendation of the Committee, to implement the activity "The Economic Case for Natural Forest Management". The implementation of this activity has been initiated at the Forest Research Institute of Malaysia (FRIM). The Committee noted progress in this activity and looked forward to more detailed reports as data becomes available.
- (iii) The Committee decided at its Seventh Session in November 1990 to adopt the recommendations contained in document PCF(VI)/12, "Human Resources Development and Training Needs" and recommended that the Secretariat should coordinate the implementation of these recommendations with other international agencies, in first hand FAO and ILO. The Committee noted that due to the pressure of other activities, the Secretariat had not been able to undertake any further work in this area since its Eighth Session.
- (iv) The Council decided, at its Ninth Session in Yokohama in November 1990, to establish a temporary Working Group, which should develop recommendations and principles for the preparation of Guidelines for Management of Tropical Forests Plantations. The Working Group should base its recommendations and principles on a Paper prepared through a consultancy financed by the Government of Germany, and on other relevant documents. The Committee recalled its previous endorsement of the revised draft of the Working Group Report and

Decision 5(X) which gave the approval of the Tenth Session of the Council to publish and disseminate the Guidelines. The Committee noted that there had been a delay in publishing due to the unavailability of funds in the publication vote of the administrative account, and that publication was now expected early in 1992.

- (v) The Council decided, at its Ninth Session in Yokohama in November 1990, to establish a temporary Working Group, which should prepare a draft for an ITTO document on Incentives for Tropical Forest Management. It was not possible to schedule a meeting of the Working Group before the Tenth Session of the ITTC in Quito due to delays in receiving a discussion paper of Incentives prepared by the Oxford Forestry Institute. The Working Group was postponed following the Quito Round-Table on "The Agenda for Trade in Tropical Timber from Sustainably Managed Forests by the Year 2000", and the various initiatives in Council Decision 3(X). The Committee noted that there was no immediately clear role for the proposed Working Group in the light of other activities arising from Decision 3(X), and recommended that the Council's approval for such a Working Group be rescinded until further notice.
- (vi) The Government of Thailand submitted to the Seventh Session of the Committee a Project Proposal entitled Technical Workshop to Explore the Feasibility of Forest Options, contained in document PCF(VII)/10 Rev. 1. The Committee decided to recommend to the Council that the proposed project be executed as an Activity with ITTO co-financing, provided that also other international organizations pledge substantial support for it.

The Council decided, at its Ninth Session in November 1990 to adopt the recommendation made by the Committee. The Committee noted that the Workshop was held in Bangkok in April, 1991 and that a follow-up workshop, approved under PD 149/91 Rev.3., would be held in the Philippines in February, 1992.

- (vii) In response to Decision 6(X) of the Council, a Working Group was convened to prepare Guidelines Proposals on the "Conservation of Biological Diversity in Production Tropical Forests" to complement previously approved "Guidelines on the Sustainable Management of Natural Tropical Forests" and the "Establishment and Sustainable Management of Planted Tropical Forests". The Report of the Working Group was presented to the Council in document PCF (IX)/7 along with a series of comments on the draft which were presented in document PCF (IX)/13. The committee established on informal working group to discuss the report presented in PCF (IX)/7.

The informal working group appreciated the work of the Panel and the Secretariat in PCF (IX)/7. However, while they felt that the report was well elaborated, they also felt that its scope extended beyond the conservation of biodiversity in production tropical forests and that it was too detailed. Furthermore, the informal working group preferred to bring the format of the proposed guidelines back to one that easily could be physically incorporated into the existing ITTO Guidelines for the Sustainable Management of Natural Tropical Forests.

A drafting group produced 2 more revisions of the Working Group Report to incorporate the comments made by delegates and representatives during intensive discussion sessions of the informal working group. Their final revised document - PCF (IX)/7 Rev.3 - contains a foreword which indicates both the intended nature of the proposed guidelines, and the proposed follow-up procedures that should be followed after the document has been approved by the Council.

The informal working group presented this document to the Permanent Committee, and with a few slight amendments, the Permanent Committee approved the document PCF (IX)/7 Rev.3 as a preliminary consensus within the Committee as to what appropriate guidelines on the conservation of biodiversity in tropical production forests should be.

However, due to the late arrival of the first draft with member countries, it was recognized that insufficient time had been available to take full advantage of technical experts who should have been consulted in Member Countries prior to the Session. In addition, one delegation emphasized the fact that decisions taken at UNCED might have implications for the future actions of International Organizations with respect to the conservation of biodiversity, and that no final decisions should be taken at this stage.

As a result, the Committee decided to recommend that Council request the Executive Director distribute the document PCF (IX)/7 Rev.3 to Member Countries and request that the Members' final comments on this document be submitted in time to have them available for possible consideration at the next Session.

5. Review of Project Work in Progress

The Committee took note of a status report by the Secretariat on the fifty-four Projects, in the field of Reforestation and Forest Management, which have been approved by the Council but still not completed, contained in document PCF(IX)/4.

1) PD 2/87 (F) Rehabilitation of Logged-over Forests in Asia/Pacific Region

The Project was approved by the Council at its Third Session in November 1987, but financing was not made available, at that time, for implementation.

In its budget for the year 1988/89, the Government of Japan provided partial financing for the Project, amounting to US \$ 240,000. The Government made available in its 1989/90 budget a further amount of US \$ 190,000 and in the 1991/92 budget US \$ 240,000, and indicated that further financing would be given favorable consideration in subsequent budgets.

At its Fourth Session in Rio de Janeiro in June 1988, the Council authorized the Executive Director to start work on Project 2/87 (F),

provided that a fully funded, viable sub-project could be identified, and implemented without increasing the total cost of the Project. Such a sub-project was identified and presented to the Third Committee Session.

An Agreement between ITTO and JOFCA for the execution of the Sub-project was signed on 1st December 1988.

The Sub-project became operational on March 10, 1989 when the budget resources were made available by the Forest Agency of Japan.

JOFCA engaged four international consultants which have carried out a survey to establish:

- (i) the extent of forest in need of rehabilitation;
- (ii) what efforts are being made to rehabilitate disturbed forests and the results of these efforts;
- (iii) what research into forest rehabilitation have been carried out or is in progress, and what variation with regard to forest types, intensity of logging and range of measures this research covers;
- (iv) the need for further research.

In order to make the inventory of research and of successful efforts of rehabilitation as complete as possible, the survey has covered, besides ITTO Member Countries, also Solomon Islands and Fiji.

The first Sub-project was completed in February 1990. A report containing results of the work and recommendations for the continuation of the Project are contained in document PCF(VI)/9. The Report had five annexes containing detailed country reports.

At its Ninth Session in November 1990, the Council authorized the implementation of a second sub-project, identified in a separate Project Document with the same title as the full Project but with sub-title (Sub-project II), with a total budget of US \$ 430,000. The objective of this second sub-project is to design a classification system for logged-over forests which has direct relevance to the silvicultural activities that are required to restore the timber-producing capacity of the forest. The project also aims to test and describe the use of the classification system and make a preliminary assessment, using available imagery, of the extent of each class in tropical Asia.

A draft Agreement for the implementation of Sub-project II was sent to JOFCA on December 20, 1990, and signed on April 9, 1991. Two international consultants, one from the Philippines and one from India, have been hired by JOFCA to supplement their own expertise, and JOFCA has developed a provisional classification system in association with these consultants.

This interim classification system was subject to an informal review workshop on July 26th which was organized in association with the Conference of Senior Foresters [see report PD 117/90 (M,F,I)], and a number of refinements were made. The revised systems are currently being field tested in Thailand, the Philippines and India and, based on the results of the field testing, will be further reviewed by a panel of experienced field foresters in mid-December in Manila. The ITTO

Secretariat will conduct a mid-term review of the Project in association with the implementing agency in early January.

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

The Project was approved by the Council at its Third Session in November 1987 and financing was allocated to allow immediate implementation.

The Project was slightly amended by the Council at its Fourth Session in Rio de Janeiro in June 1988 to extend the period of ITTO monitoring and review, from the originally approved three years of the establishment phase to the full project period of ten years. This also required allocation of additional budget resources of US \$ 15 000 to bring the total ITTO budget contribution to US \$ 272,350. The financial support for Project work remains limited to the first three years.

An Agreement regulating the implementation of the project was signed by ITTO and the Government of Malaysia on August 8, 1988. The Project became operational upon signing of the Agreement. However, the Forestry Department had initiated work on establishing the required sample plots already in May 1988.

Four research areas have been selected in the following geographic locations:

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| Virgin forests: | 1. Lesong Forest Reserve, State of <u>Pahang</u> , |
| | 2. Sungai Lalang Forest Reserve, State of <u>Selangor</u> . |
| Logged-over Forests: | 3. Cherul Forest Reserve, State of <u>Terengganu</u> , |
| | 4. Kledang Saiong Forest Reserve, State of <u>Perak</u> . |

The ITTO funded component of the overall project was scheduled to be completed by June, 1991. However, as of June 1991, only the virgin forest study area in Compartments 171 and 172 in the Lesong Forest Reserve and the logged-over forest in Compartments 194 and 205 in the Kledang Forest Reserve had been fully established and enumerated. The establishment of plots in the remaining study areas were envisaged to be completed by the end of June 1991, with the delay being mainly due to a longer time than expected for the felling of all marked trees to the prescribed cutting limits in the virgin study area and the application of silvicultural treatments in the logged-over forest study areas.

As a result, the implementing agency submitted a request for an extension of the project implementation period from June 1991 to December 1991, and this request was approved by the Tenth Session of the ITTC in Quito. Written requests for additional funding, and by implication, a further extension of at least 12 months have been received by the Secretariat and presented in document PCF (IX)/12. In summary, these requests involve:

- * A sum of US \$ 30,000 to engage an international consultant for the period from October - December 1992 to develop a data management system for the established plots to ensure

timely analysis of the data already collected under the Project.

- * A sum of US \$ 150,000 to conduct an international seminar to disseminate the preliminary results of the Project (NB, it is assumed that this would logically take place after the initial data analysis mentioned above has taken place).

The Committee decided to recommend to Council that the Project be extended until December 1993 with additional funds of US \$180,000 to cover these two items. The release of these funds should be conditional on:

- (i) The data analysis component being used to concurrently develop in-country data analysis capabilities.
- (ii) Presentation of a detailed workplan for the conduct of the dissemination seminar.

3) PD 15/87 (F) The Biology of Okoume in Gabon

The Project was approved for immediate implementation by the Council at its Third Session in November 1987.

The execution of this Project requires that a Memorandum of Understanding between the Governments of the Netherlands and Gabon is drafted and approved by both Governments. This Memorandum is still being discussed and implementation work has therefore not started. The Committee may wish to note that under Paragraph 2 of Annex 2 of Decision 2 (X) of the ITTC, this project is an approved project that has not begun to be implemented more than 26 months after approval, and hence, under the terms of that decision can no longer be considered to be an approved project. The Committee may also wish to note that a revised Project Proposal (in French) was received from the Government of Gabon on 25 November, 1991. This revised proposal will be distributed to the Committee in document PCF (IX)/15.

The Committee decided to request the Secretariat to both examine this revised project Proposal in relation to the original project objectives, related activities and the continued availability of donor funds, and to take all steps to ensure the immediate implementation of this project. The Committee also directed the Secretariat to make this action conditional on the revision being compatible with project the original objectives and related activities, and to report any problems or substantial deviations to the next Session of the Committee.

4) PD 24/88 (F,I) Integration of Forest Based Development in
the Western Amazon - Phase I - Forest
Management to Promote Policies for
Sustainable Production

The Project was approved by the ITTC at its Fourth Session in Rio de Janeiro in June 1988. The Council also authorized financing and immediate implementation of the Project. The implementation was however subject to that certain conditions proposed by the Permanent Committee on Reforestation and Forest Management were met. These conditions required among other things that a mechanism for consultation with the people living in the area and with representatives of other economic sectors

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concerned with development of Western Amazon was established. Provision should also be made for the continuation, beyond the project period, of long term research started under the Project. These conditions were met, to the satisfaction of the Secretariat, in January 1989.

Exchange of signed Agreement for the implementation of the Project took place in Abidjan in May 1989 at the occasion of the Sixth Council Session and the Project became officially operational at that time.

The Technology Foundation of the State of Acre (FUNTAC), is Executing agency and will, in the execution of the Project, collaborate with the Brazilian Institute for Renewable Natural Resources (IBAMA), the National Institute for Amazon Research (INPA), The Superintendency for the Development of the Amazon (SUDAM) and the Secretary of Environment and Urban Development of the State of Acre (SEDUMA). Contracts have been concluded between FUNTAC and each of these cooperating agencies to make formal their commitment to participate in the execution of the Project.

A Steering Committee made up of representatives of the Brazilian Agency for Cooperation (ABC), FUNTAC, IBAMA, INPA, SEDUMA and ITTO has been established. This Committee had its first working meeting on September 26 - 27, 1989 in Rio Branco, Acre. A second Steering Committee meeting was held on 5 - 7 March, 1990 in conjunction with the first progress review. A third meeting was held on October 20 to 25, 1990 without ITTO representation. (The then Assistant Director visited the Project, in conjunction with other official travel in Latin America, on October 3 - 5, 1990 and reviewed the issues to be discussed during the Steering Committee meeting.) Subsequent meetings of the Steering Committee have taken place on 16 May and 14 November, 1991, and the current Assistant Director has attended both these meetings.

A consultative committee with representatives from FUNTAC and the various groups which will be economically and socially affected by the development of the Project area has been formed. This Committee had its first meeting in October 1989.

The Steering Committee decided, at its meeting in March, 1990, to admit as a regular member a representative of the Consultative Committee.

The Development Bank of Brazil will finance efforts for the development of social infrastructure and marketing services as support to the Project.

An evaluation report prepared by the Assistant Director was presented to the Eighth Session of the Permanent Committee in Quito as document PCF (VIII)/16. It noted that the task of ITTO then was to review the outputs of Phase I and to decide the best option for the future conduct of the Project. It further noted that the Phase II proposal had elements of concern to both the Forest Industries Committee and the Committee on Reforestation and Forest Management, and recommended that:

- * Immediate approval be given for Phase II ensuring that the concerns of the Consultative Committee re greater community consultation and participation in the project were reflected in the conduct of the Project.
- * FUNTAC convene a sub-regional seminar as specified in the Phase I Project document before proceeding with the implementation of Phase II. The purpose of this seminar

should be to help ensure the wide dissemination of results from the Project so that the maximum benefit could be obtained from the experiences that have been gained during the conduct of Phase I.

The Eighth Session of the Permanent Committee also received a detailed presentation from the implementing agency FUNTAC on the outputs of Phase I in Quito, and the Permanent Committee on Forest Industries recommended the approval and financing of the Second Phase of the Project. This recommendation was accepted by the Council, and finance was provided by the Governments of Japan and Switzerland. The sub-regional seminar/workshop was held in Rio Branco from November 11-14, 1991, and attracted a large number of delegates from Acre, elsewhere in Brazil, Bolivia, Peru and Costa Rica.

The Technical outputs from Phase I were well received at the seminar, and many delegates commented favorably on the attempts of the Project to integrate all forest uses rather than just focusing on timber production. However, a number of delegates stressed the need for greater consultation with local residents living in the Antimari State Forests before any additional activities took place.

In this regard, it should be noted that following the expression of similar areas of concern by the Committee on Forest Industries about the need to ensure the social acceptability of the Project, FUNTAC has now incorporated a team of Social Scientists into its structure, and this team was heavily involved in the recent regional workshop and will be involved in the formulation of the management plan with the community.

While the second Phase of the project come formally under the jurisdiction of the Forest Industries Committee, the Assistant Director for Reforestation and Forest management will maintain a monitoring and evaluation role during the early stages of the Project during which the management plan for the reserve will be formulated. It should also be noted that audited accounts for the project were presented to the Assistant Director while he was in Acre for the November 11-14 workshop, and that the implementing agency has given an undertaking to submit a completion report during the next few weeks. This report will, amongst other things, provide full summaries of expenditures for both the ITTO and the national counterpart components under the original budget headings presented in the Project Proposal and summary outputs of the regional seminar and workshop which was held from November 11-14, 1991.

**5) 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 Project was approved by the Council at its Fifth Session in November 1988, but financing for immediate implementation was not made available at that time.

At the Sixth Session of the Council full financing of the Project was secured. An Agreement for regulating the implementation of the Project was concluded in April, 1990.

The Government of Bolivia encountered problems in settling a compensation claim for land rights surrendered by the Indians which previously used the land allocated for the Project. However, while steps

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were being taken to resolve this conflict, some delay in Project implementation was foreseen.

A report on the status of the Project at the end of September 1990 was presented to the Committee in document PCF(VII)/8.

An initial amount of US \$ 250,000 was transferred to the Project Account from the ITTO Special Account in August 1990. However, at its Seventh Session in November 1990, the Permanent Committee requested the Secretariat to closely monitor the progress of the Project and to conduct a special review of the performance of the Project before the Eighth Session of the Committee and report to that Session of the Committee.

An independent review of the Project was carried out by a consultant in the second half of February 1991. The report of the independent consultant was presented to the Eighth Session of the Permanent Committee in document PCF(VIII)/5, and following discussions in the Committee, a memorandum of Understanding between ITTO and the Implementing Agency was developed to allow for the continuation of Project Activities at a minimal level until the Ninth Session of the Committee while further more complete review of the Project was undertaken. A budget allocation of US \$ 82,000 for a minimal level of Project activities and US \$ 20,000 for the Review Mission was made.

This review was conducted by Dr. T.N. Synnott of the Oxford Forestry Institute and the Assistant Director during the period August 8-23, 1991 and the Interim Report of the Review mission has been presented to the Committee in document PCF (IX)/6. A more detailed report will be presented to the Committee in document PCF(IX)/14. In essence, these reports recommend the continuation of the Project for another 2 years with an increased budget to allow for greater emphasis on:

- * Strengthening the community forestry /extension components of the Project to provide a focus for Project interaction with local communities, particularly the indigenous communities living in or near the forest.
- * Introducing a significant forest protection component into the project to better address the problem of illegal logging in both the project area and surrounding areas.
- * Allowing for complete aerial photograph coverage for detailed management planning.
- * A tighter focus for the forest industries programme to provide for an analysis of the efficiency of current industrialization processes, and to provide a detailed financial analysis of the current production and marketing chains for forest products from the project area.
- * Conducting a project review workshop early in 1993 to critically evaluate project activities and formulate project proposals for the extension of the project in the context of the wider Chimanes Programme after 1993.

A Memorandum of Understanding was developed by the Secretariat, the Bolivian Delegation, Donor Representatives, and the Representatives of both Bolivian and International NGO's to cover the future implementation

of this Project until December 1993. No additional funding was necessary but considerable re-orientation of project activities and priorities was necessary, as outlined in documents PCF(IX)/6 and PCF(IX)/14. The text of the Memorandum of Understanding is reproduced in Appendix 3 of this Report.

6) PD 53/89 (F) Preparation of a Master Land-Use Plan for Forest Areas, Cameroon

The Project was approved by the Council at its Sixth Session in May 1989 and at its Eighth Session the Council allocated funds for implementation.

An Agreement between ITTO and the Government of Cameroon was concluded on September 19, 1990.

A first transfer of funds from the Special Account, US \$ 158,000, was made on September 20, 1990. Poulin Theriault Ltd. of Canada was selected as the international consultants for the project in April, 1991, and work has commenced on the project. Verbal communication with ONADEF staff in Cameroon indicate that the Project should be completed by the time of the Tenth Session of the Committee scheduled for May 1992 in Cameroon.

7) PD 55/89 (F) Research and Development Activities in the Framework of Forest Management Operations in Côte d'Ivoire's Closed Forests: Establishment of a Typological Classification of Forests on the Basis of Silvicultural Operations

The Project was approved by the Council at its Sixth Session in May 1989. Funds for Project implementation were not allocated at that time, but the Council authorized financing and implementation of the Project as soon as unearmarked funds are available in the Special Account.

Unearmarked funds for full financing of the project have still not become available in the Special Account. The Committee may wish to note that under Paragraph 2 of Annex 2 of Decision 2 (X) of the ITTC, this project is an approved project that has not been funded more than 20 months after approval. Under the terms of that Decision, the submitting member state can revise and resubmit the Project to Council. Failing re-submission, the project will lose its status as an approved project.

8) PD 58/89 (F) Tropical Forestry Internship

The Project was approved by the Council at its Sixth Session in May 1989. Financing for the implementation of the Project was not made available at that time, but the Council authorized financing and implementation as soon as earmarked funds are available in the Special Account.

In April 1990 the US Forest Service made available funds for ITTO's contribution to the Project budget.

Invitations to apply for internships have been circulated and the selection of candidates has been initiated, but no further development has been reported since the Eighth Session of the Committee.

9) PD 68/89 Rev.1 (F) Management of the Tapajós National Forest for Sustainable Production of Industrial Timber

The Council approved the Project at its Seventh Session in November 1989. Financing was at that time not made available, but the Council authorized the Executive Director to start implementation of the Project as soon as financing was secured through earmarked contributions to the Special Account.

The Government of the United Kingdom provided full financing for the Project through an earmarked contribution to the Special Account in February, 1990. Delays have been experienced in drafting a Project Agreement mutually acceptable to both the donor and the Government of Brazil. However, discussions with all parties were held in Quito and following further negotiation with the donor, a revised draft agreement has been recently forwarded to the Agencia Brasileira de Cooperacao (ABC) in Brasilia, and the agreement is expected to be signed within the next few weeks.

The Committee may wish to note that the donor has suggested that some budget revision may be necessary during the life of the Project given the long period between project formulation approval and eventual implementation. The Committee may also wish to note that if the Project Agreement is not signed by 7 January, 1991, the validity period for this project as an approved project under the sunset provisions of Decision 2(X) of the ITTC will have expired.

10) PD 69/90 (F) Workshop on Sustainable Tropical Forest Management with Special Reference to the Atlantic Forest

The Project was approved by the Council at its Seventh Session and financing was allocated to allow immediate implementation.

An Agreement between ITTO and IBAMA, for the execution of the Project, was concluded in July 1990.

The Workshop was planned to be held in March, 1991, but at the time of writing, no information had been received other than notification from IBAMA on November, 14 1991 that IBAMA will work with the Brazilian Forester's Society (SEBF) in conducting the Project. The Committee may wish to note that under Annex 2 paragraph 2 of Decision 2(X) of the ITTC, projects for which funding has been committed but for which implementation has not yet begun will lose their status as approved projects 26 months after such approval. In the case of this project, that sunset date is 7 January, 1992. The Secretariat will correspond with the implementing agency seeking more explicit details of the workplan and implementation schedule being developed with SEBF for report to the Tenth Session of the Committee in May, 1992.

11) PD 71/89 Rev.1 (F,I)

The Economic and Environmental Value of
Mangrove Forests and Present State of
Conservation

The Project was approved by the Council at its Seventh Session in November 1989, but financing was not made available at that time.

At its Eighth Session in May 1990 the Council allocated full financing for the Project.

An Agreement, regulating the execution of the Project, between ITTO and the Japan International Association for Mangroves (JIAM) was concluded in January 1991. Subsequent to this date, JIAM has presented a detailed workplan and the first disbursement of funds was made in March, 1991. A memorandum of Understanding for actual execution of the surveys associated with the project was signed between JIAM and the International Society for Mangrove Ecosystems (ISME) in September, 1991. A Steering Committee comprising of representatives from JIAM, ISME ITTO and the donor government, Japan, was held in Tokyo on October 22, 1991. This meeting endorsed the workplan and noted that a workshop would be held in Bangkok from November 18-20, 1991 to develop reporting frameworks and encourage the participation by the various National Mangrove Committees in the region.

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

The Council approved the Project and allocated funds for its immediate implementation at its Eighth Session in May 1990.

A draft Agreement for the execution of the Project has been prepared by the Government of the Federal Republic of Germany and was submitted to the Secretariat for consideration on October 22, 1990. The Agreement was signed on December 11, 1990. This agreement is being supplemented with a more direct agreement with the final executing agency, The Federal Research Center for Forestry and Forest Products, Hamburg, Germany which provides for subcontracting agencies in study countries.

A special account has been established by ITTO at the Deutsche Bundesbank in Frankfurt am Main and a transfer of funds of some DM 191,000, had been made by August 1991. As the first activity in the project, the Implementing Agency has focused on sustainable production in Ghana and has signed an agreement with the Forest Products Research Institute in Kumasi for the conduct of field and mill studies. Under this agreement the FPRI will take responsibility for conducting studies on Ghanaian Forest Resources and Wood Processing industries for a sum of DM 155,000. To date, the following work has been undertaken:

- * A study on logging damage and wood waste for one medium size enterprise.
- * Studies on wood waste and recovery for one sawmill, one veneer mill and one furniture factory were to be completed by the end of October, 1991.

It is envisaged that a further three logging damage and three wood conversion studies will be undertaken in Ghana during the course of the Project.

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

The Council approved The Project at its Eighth Session in May 1990 and allocated funds for immediate implementation.

A draft Agreement on the implementation of the Project was sent to the Ministry of Lands and Natural Resources, Ghana on June 5, 1990. The final text was agreed upon on November 15 and the Project became operational on December 10, 1990, when the Agreement was signed. The first installment of funds was released in December 1990 and the first progress report covering the period till mid-May has been received by the Secretariat. During this period, the following activities were completed:

- * Selection of two sites for flying nurseries.
- * Development of guidelines for seed collection.
- * Seed extraction, sowing and germination tests.

On-going activities include laboratory seed viability testing, asexual reproduction studies, stem cutting studies and air-layering studies. The Project leader, Dr. Joe Cobbinah, is currently in the United States on a Fullbright Fellowship undertaking complementary chemical and anatomical studies but will return to Ghana in March for the next period of significant insect activity and field study.

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

The Project was approved by the Council at its Eighth Session in May 1990, but financing was not made available at that time. The Council allocated full funding at its Ninth Session in November 1990.

A draft Agreement for the implementation of the Project was sent to the Ministry of Forest Economics on 28 December, 1990. Further negotiations between the Secretariat and the Implementing Agency have occurred over the last several weeks and the Project Agreement is expected to be finalized in the near future.

15) PD 81/90 (F) Investigation and Application of Forest
Management Systems in Tropical and Sub-tropical
Rain Forests in the Choré and Bajo Paragua Forest
Production Reserves

The Project was approved by the Council at its Eighth Session in May 1990, but funds for its implementation were not made available at that time. The Council authorized the Executive Director to start Implementation of the Project as soon as earmarked funds covering the total ITTO contribution are available in the Special Account. Such funds have still not become available.

The Committee may wish to note that under Paragraph 2 of Annex 2 of Decision 2 (X) of the ITTC, this project would have been an approved project that has not been funded more than 20 months after approval by the next Session. Under the terms of that Decision, the submitting member state can revise and resubmit the Project to Council. However, the Committee should note that a revised project document, taking into account the comments made by the Committee at its Sixth Session, has been submitted for the consideration of the Council as PD 81/90 Rev.1, and that this revised project now only cover the Chore Forest Area. A companion Project Proposal [PD 175/91 (F)] has also been submitted for the consideration of the Council and covers the Bajo Paragua forest area.

The Committee noted the advice of delegates from Bolivia that, in the light of the comments of the Panel of Experts, the project was being further revised for consideration at the next Session of the Committee.

16) PD 83/90 (F,I) Research and Development in Logging

The Project was approved by the Council at its Eighth Session in May 1990, but full financing was not made available at that time. The Council authorized the Executive Director to start implementing the Project as soon as full financing in the form of earmarked funds is available in the Special Account. Full financing has still not become available. The Committee may wish to note that under Paragraph 2 of Annex 2 of Decision 2 (X) of the ITTC, this project will, by next Session, be an approved project that has not been funded more than 20 months after approval. Under the terms of that Decision, the submitting member state can revise and resubmit the Project to Council. Failing re-submission, the project will lose its status as an approved project. Furthermore, the Committee may recall Recommendation 28 in its Report to the Tenth Session where it commended the offer of finance from the delegates from Sweden and urged the Executive Director to:

- (a) Consult with possible host countries on the basis of existing commitments with a view to reaching agreement on financing and implementing the project.
- (b) Establish an Advisory Committee for the project consisting of the host country, other interested countries of the region concerned, ITTO, a NGO representative, the logging industry and donors.

The Committee recommended that the Secretariat investigate the feasibility of implementing clearly defined sub-projects within the limits of currently available funds and report on this matter to the next Session of the Committee.

17) 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 Council approved the Project and made funds available for immediate implementation at its Eighth Session in May 1990.

An Agreement for the execution of the Project was concluded in February 1991, and following receipt of advice on bank account numbers and the issuing of execution instructions from the Ministry of Forestry to the

Implementing Agency, the Agency for Forestry Research and Development, the first disbursement of funds was made on November 6, 1991.

**18) PD 85/90 (F) Technical Assistance for the Master Plan for
Forest Plantations**

The Project was approved by the Council at its Eighth Session but funding was not made available at that time. The Council has authorized the Executive Director to start implementation as soon as earmarked funds covering ITTO's contribution are available in the Special Account. Full funding has still not been secured. The Committee may wish to note that under Paragraph 2 of Annex 2 of Decision 2 (X) of the ITTC, this project will, at the next Session, be an approved project that has not been funded more than 20 months after approval. Under the terms of that Decision, the submitting member state can revise and resubmit the Project to Council. Failing re-submission, the project then will lose its status as an approved project

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

The Council approved the Project at its Eighth Session in May 1990 and made funds available for immediate implementation.

A research institution in each tropical region is to be assigned as coordinator of information collection and dissemination. Inquiries for the selection of coordinating institutions are in progress. In addition, at its Eighth Session in Quito, the Committee noted a letter from the Bolivian Government nominating the Department of Forest Engineering at the Autonomous University of Gabriel Rene Moreno as the Co-ordinating institution for the Project in Latin America, and welcomed this nomination for consideration in the future management of the Project.

A proposal for implementing the Project in the Asia/Pacific region on a trial basis was presented to the Permanent Committee at its Seventh Session in November 1990, in document PCF(VII)/9. This Proposal was approved and a limit of US \$ 200 000 was set for its implementation.

An Agreement for executing the Project on a trial basis in the Asia/Pacific region was subsequently concluded with ANUTECH of Australia. The first regional edition of the "ITTO Forest Management Update" was distributed by ANUTECH April 1991, and since then, two additional editions have been released with the Fourth Edition being planned for release soon after the current Session of the ITTC. The newsletter now has a circulation list of some 1500 names. The Update also offers its readers a free literature search service for subject areas related to tropical forest management, and this is being well patronized by its readers.

Other activities undertaken under the trial project have included:

- * Development of a data base on forestry institutions and individuals in the Asia-Pacific Region.
- * A study tour by the Project Co-ordinator to Indonesia, Thailand and Malaysia to gather information forestry research institutions and human resources issues.

- * Development of contacts with other international development agencies to seek their involvement in the review and development of human resources in the forestry sector.
- * Issuing of questionnaires to Senior Foresters in the Asia-Pacific Region to help determine forestry training requirements.
- * Development of contacts with various IUFRO Working Groups with interests in tropical forest management to obtain more information on current research projects, active researchers and available research outputs.
- * An investigation of the location of tropical forest inventory and yield plots in the three tropical regions with a view to developing an integrated data base for management planning.

In addition, the Committee may recall that at Quito, it recommended the release of an additional US \$ 100,000 from the overall Project Budget to allow for a review workshop to explore future options for the network including its extension to Africa and Latin America as originally envisaged in the Project Document. It was initially thought that a single workshop at the Forest research Institute of Malaysia in Kuala Lumpur would meet these requirements. However, the approved budget for this purpose was insufficient to allow for full representation of all producer country members from Africa and Latin America.

As a result, this led to the Assistant Director deciding to hold three separate Regional Workshops to determine regional training priorities and desires with regard to the future of the newsletter and general network services, followed by a synthesis workshop with two delegates from each of the regional workshops. The regional workshops will be held in Douala Cameroon on December 12-13 1991, Santa Cruz, Bolivia from January 13-14, 1992 and at FRIM from February 11-12, 1992. The synthesis workshop will also be held at FRIM from February 14-15, 1992.

Invitations and pre-workshop questionnaires have been distributed to all producer members and the timing of the workshops will allow a detailed proposal to extend the network to the three producer regions to be presented to the Yaounde Session of the Committee in May 1992. The Committee may therefore wish to give consideration to the extension of the Asia-Pacific trial until June 1992 to allow for continuity of production of the newsletter and continuity of other network activities and services. The Implementing Agency has estimated that the six months extension will cost some US \$ 93,800. However, they also estimate that they will have a budget surplus of some US \$25,000 at the end of the twelve month trial period. Thus, the net requirement for the six month extension of the current operation is US \$ 68,000.

The Committee endorsed the action of the Secretariat in convening the Regional Review Workshops, and recommended the approval of the release of US \$ 68,000 from existing funds to ensure the continuity of project outputs including the ITTO Tropical Forest Management Update until June, 1992.

20) PD 88/90 (F) Sustainable Selective Harvesting of Mahogany in Bolivia

The Project was approved by the Council at its Eighth Session but funding was not made available at that time. The Council authorized the Executive Director to start implementation as soon as earmarked funds covering the total ITTO contribution are available in the Special Account. A revised budget for the project was presented to the Committee in Quito in the light of alternative funding from the National Science Council in the United States. This revised budget was approved by the Council and funding was committed by the United States Government. A project agreement is expected to be finalized in the near future.

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

The Project was approved by the Council at its Eighth Session in May 1990 and funds were made available for immediate implementation.

An Agreement between ITTO and the Government of Indonesia regulating the implementation of the Project was concluded in February 1991, with the Resident Advisor being appointed from April 1, 1991. Considerable delays were experienced in finding permanent office accommodation within the Ministry of Forestry for the Project's Resident Advisor, and further delays were experienced in negotiating a Memorandum of Understanding between ITTO, USAID and the Ministry of Forestry as envisaged in the Project Agreement. However, the MOU was finally signed during the third week of September.

Draft workplans for four activity areas have been prepared by the Resident Advisor and are currently being evaluated by the Ministry of Forestry before submission to the Secretariat for comment. These areas are:

- * Pilot Demonstration on Sustainable Integrated Management of Natural Forest at Bukit Baka.
- * Human Resources Development for Sustainable Forest Management through Overseas Training.
- * Human Resources Development for Sustainable Forest Management through In-Country Training.
- * Human Resources Training for Sustainable Forest Management through Workshops and Conferences.

Signing of the MOU formally allowed the constitution of a Project Management Group and the formulation of detailed workplans. This should allow considerable progress in implementing this project in the next six month period.

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

The Project was approved by the Council at its Ninth Session and funds were made available for implementing Phase I.

Draft Agreement for the implementation of Phase I was sent to the Government of Peru, through the Embassy in Tokyo, on December 20, 1990. The project Agreement was signed on September 15, 1991, and the Project is expected to become operational in the near future.

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

The Project was approved by the Council at its Ninth Session in November 1990 and funds were made available for immediate implementation.

Draft Agreement for the implementation of the Project was sent to FUNATURA, through the Brazilian Embassy in Tokyo, on December 18, 1990. The Project Agreement was signed on April 4, 1991 and the first release of funds took place on April 10. A detailed workplan was subsequently been received by the Secretariat on September 15. In the correspondence with this plan, it was noted that field work for the Project had begun and that some revisions of some items of the budget had proven necessary during the formulation of the workplan. The Secretariat subsequently wrote to FUNATURA on September 19 seeking clarification of these increases as from the material supplied, it was not clear whether the list sent was a totally reformulated budget or simply the increase requested under the various budget items. FUNATURA's reply indicated that the new presentation was in fact a reformulated budget, that no increase in overall budget was envisaged and that the changes to the original budget headings were minor.

24) PD 98/90 Rev.1 (F) Establishment of the Tefé National Forest (Amazonas State)

The Project was approved by the Council at its Ninth Session and the Executive Director was authorized to start implementation as soon as full funding, in the form of earmarked contributions, is available. Full funding has still not been secured.

25) PD 99/90 Rev.1 (F) Establishment of the Rio Preto National Forest (Espírito Santo State)

The Council approved the Project at its Ninth Session and made funds available for immediate implementation.

Draft Agreement was sent to the Government of Brazil, through the Embassy in Tokyo, on December 18, 1990, and signed on April 4, 1991. It is expected that the Project will become operational in the near future.

26) PD 100/90 Rev.1 (F) Establishment of the Ibirama National Forest (Santa Catarina State)

The Project was approved by the Council at its Ninth Session in November 1990. Financing was not allocated at that time, but the Executive Director was authorized to start implementation as soon as earmarked funds for ITTO's total contribution become available.

Full funding has still not been secured.

27) PD 101/90 Rev.1 (F) Case Studies on the Sustainable Forest Management

The Project was approved by the Ninth Session of the Council. Funds for Project implementation were not allocated at that time, but the Executive Director was authorized to start implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. Full funding has still not been secured, though the Government of Japan did commit an amount of US \$ 300,000 at the Tenth Session. It is understood that this was done on the understanding that the remaining US \$60,000 would be provided by the Government of Indonesia. The Committee may wish to clarify how this contribution will be made viz, by direct contribution to ITTO or by in-kind contributions in Indonesia. If the latter is the case, the Committee may wish the Secretariat to negotiate a new budget for the US \$ 300,000 ITTO contribution, taking into account the specific in-kind contributions that are planned by the Government of Indonesia.

28) PD 103/90 Rev.1 (F) Training and Manpower Development in Community Forest Management

The Council approved the Project at its Ninth Session and made available funds for immediate implementation.

A draft Agreement for the implementation of the Project was sent to the Ministry of Forests and Soil Conservation, Government of Nepal on December 20, 1990. There have been a number of delays in signing the Project Agreement due to disruptions to Government activities associated with national elections and other political changes. However, a telex was received on November 19, 1991 indicating that the text of the Agreement is satisfactory to authorities in Nepal, and the agreement is expected to be signed in the next few weeks.

29) PD 104/90 Rev.2 (F) Studies of the Management Standards of Hill Dipterocarp Forests in Sarawak from Watershed Management Points of View

The Project was approved by the Council at its Ninth Session and funds were made available for immediate implementation.

An Agreement for the implementation of the Project has been drafted and was in January 1991 submitted to the Forest Agency for consideration. Following representation from the Japanese delegates to the Committee Session in Quito, the implementing Agency was changed from the Forest Agency of Japan to the Forests Department of the State of Sarawak and a new Project Agreement has now to be negotiated.

30) PD 105/90 Rev.1 (F) Model Forest Management Areas

The Council approved the Project at its Ninth Session in November 1990 and made available financing for immediate implementation.

A draft agreement regulating the implementation of the Project was sent to the State Government of Sarawak, through the Malaysian Embassy in Tokyo, on December 18, 1990. The Agreement was signed on November 13, 1991 and work on the Project is expected to begin in the near future. The

Secretariat has provided the Forest Department with a provisional list of possible consultants for the various technical positions associated with the project.

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

The Project was approved by the Council at its Ninth Session in November 1990 and funds were made available for immediate implementation.

A draft Agreement for the implementation of the Project was sent to the State Government of Sarawak, through the Malaysian Embassy in Tokyo, on December 18, 1990. The Agreement was signed on November 13, 1991 and work on the Project is expected to begin in the near future. The Secretariat has provided the Forest Department with a provisional list of possible consultants for the various technical positions associated with the project.

32) PD 110/90 Rev.1 (F) Forest Increment and Yield Studies for Sustainable Management - Phase I, II

The Council approved the Project at its Ninth Session. Financing was not made available, but the Executive Director was authorized to start implementation as soon as earmarked funds become available for the total ITTO contribution. Full financing has still not been secured.

33) PD 111/90 Rev.1 (F) Assessment of the Biological Potential for Timber Growth, Increment and Yield in the Forests in the State of Sarawak

The Council approved the Project at its Ninth Session in November 1990. Funds were not allocated to the Project at that time, but the Executive Director was authorized to start implementation as soon as earmarked funds become available for the total ITTO contribution. Full financing has still not been secured.

34) PD 112/90 Rev.1 (F) System Analysis, Modeling and Hierarchic Geographic Information System (GIS) for Research, Management and Development in Sarawak

The Project was approved by the Council at its Ninth Session in November 1990. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution becomes available in the Special Account. Full financing has still not been secured.

35) PD 114/90 (F) Workshop on Conservation and Sustainable Utilization of Mangrove Forests in the Latin American/Caribbean and African Regions

The Project was approved by the Council at its Ninth Session in November 1990. Financing was not allocated at that time, but the

Executive Director was authorized to start implementation as soon as earmarked funds for the total ITTO contribution becomes available in the Special Account. Funding was secured at Quito and it is expected that a Project Agreement with the implementing Agency will be finalized in the near future.

36) PD 115/90 Rev.1 (F) Rehabilitation of Natural Forest

The Project was approved by the Council at its Ninth Session in November 1990 and full financing was allocated to enable immediate implementation.

A draft Agreement for the implementation of the Project was sent to the Government of Malaysia, through the Malaysian Embassy in Tokyo, on December 18, 1990. The Agreement was signed on November 13, 1991 and work on the Project is expected to begin in the near future.

37) PD 116/90 (F) Appropriate Forest Technologies

The Project was approved by the Council at its Ninth Session in November 1990 and financing for immediate implementation was made available.

Negotiations re the terms of reference for the agreement for the implementation of the Project were concluded on 26 February, 1991 and after some delays the Project came into operation after the signing of the Project Agreement on August 27th. A brief progress report was received from the Bank on November 21, 1991. The project proposal envisaged three areas of activity and progress in these areas is as follows:

1. A Study on the Design of an Information Network: A data base of some 5000 forestry related institutions worldwide has been developed and it includes information on institutional structures, main activities or research programmes, consultant resources, innovative technologies/management systems. An interface system is being prepared and testing of the utility of the system for users is envisaged.
2. Preparing a State-of-the-Art Paper on the Establishment and Management of Plantations: Papers are currently being prepared in a number of topic areas and they will be both published as technical bulletins to ensure wide dissemination and synthesized into a comprehensive paper on plantation establishment.
3. Preparation of a Research Paper on Sustainable Management of Tropical Moist Forest: Six paper are currently in preparation covering the biological, economical, technical, sociological and ecological aspects of natural forest management. A workshop to discuss the papers will be held in February 1992. The papers will subsequently be synthesized into a comprehensive paper which will published as an World Bank/ITTO book by mid-1992.

The Committee noted that the outputs of the February Workshop outlined above would provide input into the Manila Workshop being conducted under PD 149/91 Rev.3.

38) PD 117/90 (M,F,I) Conference of Senior Foresters

The objective of this Project was to promote the adoption and application of sustainable management of tropical forests as stated in the ITTO Guidelines on the Sustainable Management of Natural Tropical Forests which were approved at the 7th Session of the ITTC. The Project was approved by the Ninth Session of the ITTC to provide a forum for senior foresters and related experts with field experience in tropical forests to discuss how to implement ITTO Guidelines in a manner best suited to regional and local conditions.

The conference was held at the Yokohama International Conference Hall from July 23- 26 under the joint sponsorship of ITTO and the Forestry Agency of Japan. The major focus of the Conference was to identify actions that could be immediately taken to promote sustainable management of tropical forests as stated in the various ITTO guidelines on sustainability.

In total, the Conference attracted some 178 participants and observers. Some 99 foresters and related experts from some 40 countries outside Japan and 12 international organizations and NGO's attended, including 25 participants from the Producer Members of ITTO who were fully sponsored by the Project. In addition, some 79 Japanese foresters and related experts from some 29 organizations participated in the Conference. The Conference concluded with a 8 point declaration and 10 point action plan that the Participants committed themselves to implementing through their various agencies and national professional associations.

In making their declaration, the foresters noted that they had considered what they could do to give immediate effect to the ITTO Guidelines on Sustainability and made the following points:

- * Firstly, that the tropical forests can be brought under sustainable management for industrial timber as well as for non-timber products, biodiversity conservation and other environmental and human values;
- * Secondly, that the movement towards sustainable management has to be accelerated as a matter of urgency;
- * Thirdly, that what foresters can do within their own resources and authority alone will result in sustainable management in many areas but only at an initial level and quality of outputs;
- * Fourthly, that to raise sustainable outputs to higher and more appropriate levels and quality will require more resources, more effort and more support than forest management agencies have been receiving to date;
- * Fifthly, that a priority in this respect is multi-sectoral land use planning and that foresters should endeavour to strengthen the forestry component of land use planning;
- * Sixthly, that plantations are an integral supplement to sustainable management of natural forests;
- * Seventhly, that local community participation is essential to sustainable forest management which in turn is vital to rural development; and

- * Lastly, that foresters themselves were in a position to take immediate action towards achieving the above ends and that the participants of the Conference were determined to do so.

Another feature of the Conference was the feeling that foresters had for too long waited for other sectors to take action to create an easier policy environment before pushing their own agenda on sustainable management. The feeling of the Conference was that this inaction was no longer acceptable because the problems facing tropical forests were now so urgent that foresters could no longer afford to wait for other sectors to provide the right environment for establishing sustainable management.

The political and social constraints acting against sustainable management in the past were well recognized. However, it was felt that the adoption of the ITTO Guidelines and the endorsement of Target 2000 had changed the policy environment in ITTO Member Countries sufficiently to allow foresters to take immediate action to promote the concepts of sustainability that formed the philosophical basis of most of their professional training. The actions that the Conference participants committed themselves to included:

- * Drawing up national codes of forest and logging practices to standards fully consistent with sustainable forest management in all its aspects;
- * Designing a system of sustained yield management units, based, if necessary, on the foresters own unofficial forest land use classification of the areas they could realistically assess will remain in forest, the time span over which they estimate the rest will be lost, the areas that should reserved wholly or largely from industrial timber production, and existing concession contracts;
- * Estimating the allowable annual cut which can be maintained from each such management unit and hence, by summing, the national sustainable output, allowing for reservations and restrictions to maintain or enhance the level and quality of the environment, non-timber and social values especially in respect to forest-dependent peoples;
- * Publicizing, widely and often, any discrepancy between that sustainable allowable annual cut and the existing or contractual levels of output;
- * Applying the silvicultural systems, management regimes and cutting cycles which, on present evidence, will maintain the status of non-timber values and the level and quality of timber yield, with emphasis on selection systems (unless ecologically excluded), volume control and corridor-mosaic patterns of stand distribution and retention;
- * Identifying the areas which should be brought back into forest under a program of plantation development to supplement the natural forests;
- * Establishing internal systems for monitoring not simply what people are doing, but also what is happening to the forest ecosystem as a result of their actions, together with a system for

taking corrective action before deviations from intended effects have gone too far;

- * Redeploying existing staff and restructuring their duties and authorizations so that the best and most experienced people are physically in control of all field operations that affect sustainable management;
- * Providing field staff with the back-up to enforce the application of the prescribed measures, the terms of concession agreements and compliance with them;
- * Developing and applying codes of professional conduct and insisting on the compliance and accountability of all forests agency staff to these codes.

An evaluation questionnaire was prepared by the Secretariat and distributed to the participants in English, French or Spanish depending on their country/region of origin. A total of 42 responses were received and in general the reaction of the participants appeared to be positive. A coding system for this questionnaire has been developed and analysis of the responses will be undertaken in the near future and presented to the next Session. Follow-up questionnaires will be sent to participants 6 months and 12 months after the session to keep the findings of the Conference before participants and to monitor progress in implementation of improvements to field practice that may have been stimulated by the Conference. The final editing of the Proceedings will be completed in December and it is expected that they will be published in the Conference Languages early in the new year. A completion report will be presented to the next Session when final costs including those associated with the printing of the Conference Proceedings are known.

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

The Project was approved by the Conference at its Tenth Session and allocated US\$ 221,600 for its implementation. A draft Project Agreement was forwarded to the Government of Ghana on October 1, 1991.

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

The Project was approved by the Council at its Tenth Session and allocated US\$ 489,000 for its implementation under the conditions that: (i) no funds be released until a detailed workplan that meets the requirements of the Secretariat is submitted to the Secretariat; and (ii) the allocation for ITTO monitoring and evaluation is increased from US\$ 15,000 to US\$ 30,000. A detailed workplan was received by the Secretariat in July, and a draft Project Agreement was forwarded to the Government of Panama on September 30, 1991.

41) PD 130/91 Rev.1 (F) Plantation Establishment Methods (First Phase)

The Project was approved by the Council at its Tenth Session with the addendum presented in response to the Committee's comments re

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synthesizing existing research information at the beginning of the Project and allocated US\$ 780,000 for its implementation. A letter has been received from the potential Implementing Agency, the Department of Environment and Natural Resources in the Philippines, and a number of matters will need negotiation before a Project Agreement is signed. However, it is hoped that the Project will become operational in the first quarter of next year.

42) PD 131/91 Rev.1 (F) Pilot Project for the Sustained
Management of the So'olala Forest

The Council approved, at its Tenth Session, the Project which included responses to questions and suggestions made by the Committee, and allocated US\$ 534,000 for its implementation, subject to the condition that no funds be released until a detailed work plan is submitted to the Secretariat for the implementation of the Project including provisions for a consultative Committee structure to allow for liaison between the Project Management and the people living in and near the Project area.

A draft agreement has been sent to the Implementing Agency and it has been returned for signing along with a detailed workplan. The workplan is currently being reviewed by the Secretariat, and funds will be released immediately if it meets the Committee's requirements.

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

The Project was approved by the Council at its Tenth Session and allocated US\$ 161,000 for its implementation under the condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is submitted to the Secretariat. A draft agreement has been sent to the Implementing Agency and it has been returned for signing along with a detailed workplan. The workplan is currently being reviewed by the Secretariat, and funds will be released immediately if it meets the Committee's requirements.

44) PD 138/91 Rev.1 (F) Program for Sustainable Forest
Management in the Ecuadorian Forest
Institute

The Project was approved by the Council at its Tenth Session and allocated funds for its support subject to:

- (a) The Government of Ecuador presenting a revised budget lower than the budget of US\$ 481,723 specified in the Rev.1 document. A revised budget of US\$ 325,635 with an ITTO contribution of US\$ 306,440 was presented to the Committee and as a result the PD 138/91 Rev.2 Proposal containing this budget is recommended for both approval and implementation.
- (b) The release of funds be conditional on the approval of a detailed workplan for the conduct of the project by the Secretariat.

A draft Project Agreement was forwarded to the Government of Ecuador on August 9, 1991.

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45) PD 139/91 Rev.2 (F) Management Plan for the Sustained
Production of Orey Forests in the Bocas
del Toro Province

The Project was approved by the Council at its Tenth Session. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution becomes available in the Special Account. Full financing has still not been secured.

46) PD 140/91 Rev.1 (F) Management Plan for the Cativo Forests
of Darien

The Project was approved by the Council at its Tenth Session. Financing was not allocated at that time, but the Council authorized the Executive Director to start implementation as soon as earmarked funds for the total ITTO contribution becomes available in the Special Account. Full financing has still not been secured.

47) PD 147/91 (F) "El Telegrafo" Reforestation Project

The Project was approved by the Council at its Tenth Session for sponsorship to other organizations following presentation of a revision to the Secretariat.

48) PD 148/91 Rev.1 (M,F,I) Seminar on Economic Case of Sustainable
Tropical Forest Management

The Project was approved by the Council at its Tenth Session and allocated US\$ 115,000 for its implementation in conjunction with the Eleventh Session of the Council. With the heavy time demands on the Secretariat with the Conference of Senior Foresters, Project review missions and the servicing of the Working Groups on Biodiversity, the Hague Panel and the Panel for the Technical Appraisal of Project Proposals, it has not been possible to organize the above seminar. The Committee may wish to give directions to the Secretariat on the future timing of the Seminar.

The Committee noted that with the pressure of other duties, it had not been possible for the Secretariat to organize this Seminar in conjunction with the current Session of the ITTC. It recommended that the Council should request the Secretariat to organize such a seminar for the forthcoming Twelfth Session of the ITTC in Yaounde in consultation with delegates from African member countries. It was suggested that a possible theme for the Seminar could be land use planning and land tenure to secure the Permanent Forest Estate.

49) PD 149/91 Rev.3 (F) Technical Workshop to Explore Options
for Global Forest Management

The Project was approved by the Council at its Tenth Session and allocated a maximum of US\$ 100,000 subject to the conditions of: (i) co-financing being achieved from other international organizations; and (ii) the workshop being focused on one rather than both of the two objectives stated on page 4 of the document so as to give the workshop clear

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direction. The Committee may wish to note that it is now proposed to focus the follow-up workshop on the issue of cost effectiveness of different forest management options in accordance with item (ii) above. The Committee may wish to further note that while co-finance has still not been achieved, there are some indications that such co-finance could be forthcoming in the near future. As a result of these indications, and following the requests from representatives of the Government of Japan, the Government of the Philippines and the British Embassy in Tokyo, a Preparatory Committee meeting has been scheduled for Sunday 1 December, 1991 to take advantage of the presence of country delegates at the ITTC. This will reduce budgetary requirements by as much as \$50,000 and Committee may wish to comment on the future management of the Project, noting that to meet the requirements of both the host country and the UNCED Process the Workshop would need to be held in late January or early February, 1992.

The Committee noted that the final commitment of international co-financing had been received from the Asian Development Bank during the course of the current Session, and that it endorsed the actions in convening the Preparatory Committee Meeting which was held in the ITTO Secretariat on Sunday December 1, 1991.

The Committee recommended that approval be given for a reduced workshop budget of US \$200,000 and that approval be given for the Implementing Agency to accept additional financial contributions from sources other than International Organizations to increase the sponsored participation of participants from developing countries.

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

The Project was approved by the Council at its Tenth Session and allocated US\$ 211,636 for its implementation including an allowance of US\$ 20,000 for ITTO evaluation and monitoring. This approval should be subject to the condition that no funds be released until a detailed work plan for both nursery establishment and research is submitted to the Secretariat for the implementation of the Project including provisions for a consultative Committee structure to allow for liaison between the Project Management and the people living in and near the Project area. This workplan should also provide details of the provenance of materials used for nursery propagation and outline the criteria used for its selection. An draft Project Agreement was sent to the Government of Ecuador on October 1, 1991.

51) PD 157/91 Rev.1 (F) The Establishment of an International
Network for the Conservation and
Sustainable Utilization of Mangrove
Forest Genetic Resources

The project was approved by the Council at its Tenth Session and allocated US\$ 500,000 for its implementation subject to the release of any funds being conditional on the Secretariat receiving a detailed workplan for the conduct of the various aspects of the first phase of the Project as revised by the delegate from India. The workplan was presented to the Secretariat on June 25th and following comments by the Secretariat, a revised plan was forwarded on July 8th. The Project Agreement was signed on September, 10 and the first Project Steering Committee Meeting was held

in Madras from October 8-10, and was attended by the Assistant Director. The Project is now fully operational with nomination forms distributed to various countries for both the genetic conservation centres and the training programmes in mangrove management and conservation.

52) PD 159/91 Rev.1 (F) Studies for the Regulation and
Sustained Management of the Tropical
Rainforests of the Provinces of Napo
and Sucumbios

At its Tenth Session, the ITTC approved this project and recommended the allocation of US \$ 1,161,900 for its implementation including an increase from US \$ 20,000 to US \$ 50,000 for ITTO evaluation and monitoring. However, to date no funding has been received for the Project. In making this recommendation, the Committee was aware of the potential for social conflict in the implementation of this project and recommended that no funds be released until the Secretariat had received a detailed workplan that included amongst other things:

- (a) A Consultative Committee to act as an official communication channel between the Project and all interested parties including any indigenous people living in the area or affected by the Project's activities. This Committee should both bring the concerns and interests of the Community to the attention of the Project and act as a conduit of information about the Project to the Community.
- (b) A Steering Committee to guide the technical conduct of the Project. This Committee should include at least one elected representative from the Consultative Committee.
- (c) A time schedule and detailed budget for all activities and activities within the approved Project document.
- (d) An indication of how environmental and social impact assessment will be taken into account during the implementation of the Project.

The Committee may also recall that when these conditions on Project approval were discussed, the delegation from Ecuador issued a verbal invitation for ITTO to constitute a independent international mission to review project planning and participatory processes so as to advise both the Council, the Committee and potential donors to the Project on the status of these activities. The Committee may wish to further discuss the possibility of such a mission in consultation with delegates from Ecuador.

The Committee endorsed the use of any remaining funds from the Pre-Project on "The Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador" to support such review mission.

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

The Project was approved by the Council at its Tenth Session and allocated US\$ 1,628,000 for its implementation under the condition that no funds be released until a detailed workplan that meets the requirements of

the Secretariat is submitted to the Secretariat. A draft Project Agreement was sent to the Government of Papua New Guinea and a reply has been received from the Department of Forests seeking further negotiations on a number of matters.

54) PD 164/91 (F) Native Species Reforestation as an
Alternative for Conserving the Panama Canal
Watershed

The Project was approved by the Council at its Tenth Session and allocated US\$ 140,000 for its implementation under the condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is submitted to the Secretariat. A detailed workplan was received by the Secretariat and a Project Agreement was signed on October 30, 1991. The first transfer of funds to the Project was made on 15 November, 1991.

6. Review of Pre-Project Work in Progress

The following seven Pre-projects have been approved by the Committee and are under implementation:

- (i) Silvicultural treatment through Selective Felling as Part of a Pilot Forest Development Project in the South Bakundu Forest Reserve, Cameroon.
- (ii) Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador,
- (iii) Coordinated Natural Forest Management and Sustainable Rural Development in Areas Adjoining Sapo National Park, Liberia,
- (iv) Manmade Forests of Indigenous Species - A Systematic Preparation to Industrial Tree Plantations, Ghana,
- (v) Sustainable Development in the Amazon Region,
- (vi) Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forest, and
- (vii) Sustainable Multiple Use.

The Committee took note of a status report by the Secretariat contained in document PCF(IX)/5, and, as noted for PD 159/91 Rev.1.(F) above, recommends that the Council authorize the use of remaining funds to the purposes of supporting the Review Mission for this project which was developed from the Pre-Project on the "Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador".

The Committee also noted the large number of Projects and Pre-Projects now in active implementation and recommends that the Council request that, for the Twelfth Session of the Council, the Secretariat be asked to prepare a summary of these projects under at least the major headings presented in the ITTO Action Plan, or any such additional activity headings that the Secretariat thinks relevant to the work of ITTO.

7. Consideration of Project Proposals

Twenty-nine Project Proposals were submitted to the Committee for consideration. They are:

Project List		
Project No.	Project Title	Submitting Government
PD 81/90 Rev.1 (F)	Forest management Research in the Tropical and Sub-Tropical Moist Forests of the "Chore" Production Forest Reserve	Bolivia
PD 120/91 Rev.2 (F,I)	Development of Operational Model for Sustainable Management of Natural Tropical Forest	Malaysia
PD 170/91 (F)	Modernization and Development of Egyptian Forest Nurseries	Egypt
PD 171/91 (F)	Conservation and Management for Multiple Use and Development of Colombian Mangrove Swamps	Colombia
PD 172/91 (F)	Project for the Recovery of Systems of the Hillsides of Caqueta	Colombia
PD 174/91 (F)	Rehabilitation of the Forests of the Central-South of Cote d'Ivoire around the Tene Forest	Cote d'Ivoire
PD 175/91 (F)	Sustainable Forest management in the "Bajo Paragua" Production Forest Reserve	Bolivia
PD 176/91 (F)	Sustained Management for Production, Conservation, Demonstration, Diffusion and Promotion Activities in Moist Tropical Forest in Ecuador's Northwest	Ecuador
PD 184/91 (F)	Multipurpose Tree Planting in Egypt	Egypt
PD 185/91 (F)	Sustainable Forest Management and Development in Peninsular Malaysia (Phases I and II)	Malaysia
PD 186/91 (F)	Tree Flora of Sabah and Sarawak	Malaysia
PD 187/91 (F)	"Cumala" Plantations in the Loreto and Ucayali Regions	Peru

PD 188/91 (F)	Reforestation in Rioja	Peru
PD 189/91 (F,M,I)	Publication of an Andean Forestry Journal	Peru
PD 190/91 (F)	Valuation of the Biodiversity of Tropical Forests for their Sustainable Use	Peru
PD 191/91 (F)	Reforestation of Deforested Plots along the Federico Basadre Road (Ucayali Region)	Peru
PD 192/91 (F)	Hevea Brasiliensis Reforestation and Improved Transformation in Madre de Dios	Peru
PD 194/91 (F)	Recuperation and Demonstration Management of Secondary Forests in the Peruvian Amazon	Peru
PD 197/91 (F)	Production, Management and Regeneration of Lesser-Used Tropical Tree Species in Philippine Forests	Philippines
PD 199/91 (F)	Clonal Development of Dipterocarp Species (PPD 47/91)	Philippines
PD 200/91 (M,F)	Economics and Impact Assessment of Community Forestry Projects in the Philippines	Philippines
PD 201/91 (F)	Community-Based Forest Development	Philippines
PD 202/91 (F)	Sustainable Forest Management through Collaborative Efforts	Thailand
PD 203/91 (F)	Study Relating to Forest Management in the Fazao-Sud Region	Togo
PD 204/91 (F)	Identification and Study of a Plantation Project for the Production of Timber (2,500 ha) in the Reserved Forest of Haloe-Baloe (Plateau Region)	Togo
PD 206/91 (F)	Research on the Ecology of the Main Commercial Forest Species	Zaire
PD 207/91 (M,F,I)	Training in Project Formulation and Evaluation	Zaire
PD 208/91 (F)	National Center of Forest Tree Species	Zaire

PD 210/91 (F) Monitoring and Assessment of the Zaire
 Impact of the Forest Exploitation
 in the Central Basin

Details of the technical evaluation of the Projects are given in Appendix I of this Report.

The following three project ideas were submitted to the Committee for consideration:

Number	Title	Submitting Government
PCF(IX)/7	Reforestation by User Groups in Quindio	Colombia
PCF(IX)/8	Natural Regeneration Management of Moist Tropical Forests	Peru
PCF(IX)/9	Development of Agroforestry in the Peruvian Amazon	Peru

8. Decision on Pre-Project Work

The following three Pre-Project Proposals were submitted to the Committee for consideration:

Number	Title	Submitting Government
PPD 43/91 (F)	Rehabilitation of Degraded Forest Land in the Amazon - A case Study in the Carajas Mineral Province	Brazil
PPD 44/91 (F)	Review of the National Forest Situation so as to establish a National Policy for this Sector in Colombia	Colombia
PPD 47/91 (F)	Survey of Progress on Technology Generation Regarding Dipterocarps Vegetative Propagation	Philippines

All of the above Pre-Project Proposals were approved by the Committee.

9. Decision on Fellowship Application under Project PD 60/89 (F,M,I)

Successful applications for ITTO Fellowships under Project PD 60/89 (F,M,I) are presented in the Report of the Permanent Committee on Forest Industries.

10. Review of ITTO Work on Lesser Known Species (Joint Session)

The Chairman, Mr. E.Lammerts van Bueren, opened the Joint Session of the Permanent Committees, referring participants to the background document PCM,PCF,PCI(IX)/1 and reiterating the rationale behind the joint

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session which arose from a recommendation of the Eighth Session of the Permanent Committee on Reforestation and Forest Management.

The Assistant Director of Forest Industry drew participant's attention to the background document and referred to the two pre-project reports with relevance to the meeting, PPR 21 (F) and PPR 23 (M) . A summary of the background document was then presented.

The Chairman stated that the main reasons for concern over LKS were those raised in document PPR 21 (F). Although many people expect benefits from LKS, significant doubts are arising as to the capability of LKS to meet these expectations. The purpose of the meeting was to clarify the actual effects of LKS utilization. The major conclusion of PPR 21 (F), that present knowledge does not allow quantification of the effects of increased LKS utilization with respect to other forms of intensified management, was reiterated.

Three discussion areas were suggested by the Chairman:

- (i) market information and acceptance
- (ii) wood characteristics and processing
- (iii) effects on resources and sustainability

The Chairman called on the meeting to consider the recommendations of the background pre-project reports and perhaps to recommend to Council acceptance of some of these.

During a lively discussion, numerous interventions produced information and suggestions as to the opportunities and problems related to the use of lesser-known species.

In concluding, the Chairman expressed satisfaction at the level of interest shown in this joint session on LKS. He proposed that the report of this session would be included in the report of the Permanent Committees to be considered by Council. The Chairman then proceeded to state that while recommendations would be formulated in the report he would limit himself to summarize the main points raised in the discussion as follows:

(i) General

- that the term LKS should be substituted by LUS, lesser-used species

(ii) Marketing

- that the major constraint is acceptance
- that the association of LUS with commercial species is sometimes possible
- that grouping of species a good strategy

(iii) Industry

- that LUS characteristics were often understood, but processing capability/knowledge is often not adequate

(iv) Forest Management

- that there was a need to distinguish between rare LUS and those whose use is limited by markets/quality

- that there was a need to determine how much logging could be intensified without violating sustainability and/or biodiversity
- that there was a need to investigate canopy opening effects such as is the response of diameter increment to canopy opening
- that there was a need to determine what the effect was of not using LUS was on biodiversity eg, the impact of selective cutting of only a limited number of species.
- that management should be flexible so as to take local conditions into account.

The Chairman then closed the session after thanking delegates and observers for their participation.

From the discussions of the Joint Session, the following general comments emerged:

- (i) The value and potential of LUS are intimately related to the three aspect of marketing, processing and forest management.
- (ii) More information and knowledge is needed on the ecological role and value of LUS (and also of species considered as well known) to determine whether LUS should be harvested or left in the forest.
- (iii) Present knowledge does not allow separation of effects of increased harvesting of LKS from those of other forms of intensification such as harvesting on shorter rotations and cutting down to lower diameter limits.
- (iv) A flexible approach should be taken to the use of LUS, with the relative benefits and costs of specific proposals to harvest LUS carefully evaluated in relation to local circumstances.
- (v) The desirability to broaden the research supported by ITTO to focus also on general aspects of sustainability, site productivity, nutrient cycling, biodiversity and other silvicultural and ecological aspects affected by logging intensity.
- (vi) That improvement of harvesting policies and logging practices by itself could substantially increase the wood supply and eliminate waste and damage to residual stands which in some cases may affect 50 to 60% of forest volumes.

Recommendations arising from these discussions are presented in Section 14 of this report as Recommendations 28 - 30. Both Recommendations 28 and 29 have been selected from the recommendations made in Pre-Project Report PCF(III)/2 (Conservation Concerns Relating to the Diversification of Species Extracted for Timber.)

11. Election of Chairman and Vice Chairman for 1992

The Committee elected Dr. Amantino Ramos de Freitas as Chairman and Dr. David A. Harcharik as Vice-Chairman for 1992.

12. Dates and Venue of the Tenth Session

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

13. Other Business

A proposal for an ITTO Activity on the Protection of Tropical Forest against Fire was submitted to the Council by the Governments of Japan, Indonesia and the United States of America in document ITTC (XI)/13 Rev.1. In evaluating this document, the Committee noted that the proposal provided for both field activities and the formation of an ITTO Expert Panel.

The Committee noted that the field activities involved a wide range of fire prevention, fire suppression, fire impact and fire recovery studies and reviews, while the Expert Panel would review fire prevention and fire suppression strategies with a view to formulating ITTO Guidelines in these areas.

The Committee recommended that the Council request the Executive Director, with the assistance of the project formulation team to make a consultative visit to Indonesia to develop a detailed and fully costed proposals for consideration of the Twelfth Session of the ITTC in Yaounde. This visit should lead to the development of terms of reference for both field work team and expert panel to develop Guidelines on the Prevention and Suppression of Fire in Tropical Forests.

In making these recommendations, the Committee noted:

- (i) The need to ensure balanced representation of technical expertise and all tropical producing regions in both the Consultative Visit and the proposed Expert Panel.
- (ii) The desirability of these groups taking full advantage of the work of other international organizations (eg the FAO Silva Mediterranea and the FAO/ILO/EEC Committee on Forest Technology, management and Training) and other recognized centers of expertise in forest fire ecology and management.
- (iii) The offer of the Government of Japan to meet the costs associated with both the Consultative Visit and the Proposed Expert Panel.

14. Recommendation to the ITTC

The Committee made the following recommendations:

1. The Committee recommends that the Executive Director renew efforts to promote the ITTO Activity to "Develop Demonstration Models of Management for the Sustainable Production of Timber and Non-timber Products and Conservation" using, as appropriate, the format for the management unit level which is accepted by the Council following its examination of the Hague Panel Report [ITTC(IX)/6].
2. In light of the fact that the Committee saw no immediately clear role for the ITTO Working Group on Incentives for Tropical Forest Management because of the many other ITTO activities that have developed from Decision 3(X) of the Council, the Committee recommends that the Council rescind the approval for this Working Group until further notice.
3. That Council adopt the text of the draft Council Decision 8(XI) on the ITTO Guidelines on the Conservation of Biodiversity in Production Tropical Forests presented in Appendix 3 of this Report.
4. The Committee recommends that the Council extend the term of Project PD 10/87 (F) (Forest Management of Natural Forest in Malaysia) until December 1993 with additional funding of US \$ 180,000 to cover the analysis of data collected from the silvicultural plots established and enumerated during the project and the dissemination of results from the project through an international seminar. The Committee also recommends that the Council make the release of such funds conditional on:
 - (i) The data analysis component being used concurrently to develop in-country data analysis capabilities.
 - (ii) The presentation to the Secretariat of a detailed workplan for the conduct of the international dissemination seminar.
5. The Committee recommends that the Council request the Secretariat to examine the revised Project Proposal for approved project PD 15/87 (F) (The Biology of Okoume in Gabon) and the continued availability of donor funds with a view to facilitating the immediate implementation of this project subject to the revised proposal being compatible with the objective and budget limitations of the original approved project. Should the Secretariat feel that this is not the case, the Committee recommends that the sunset provisions of Paragraph 2 of Annex 2 of Council Decision 2(X) be waived to allow the Committee to consider the Secretariat's review of the proposal at its next Session.
6. The Committee recommends that the Council approve the measures outlined in the Memorandum of Understanding on the Future Management of PD 34/88 (Conservation, Management, Utilization, Integral and Sustained Use of the Forest of the Chimanes Region of the Department of El Beni, Bolivia) outlined in Appendix 3 of this Report.

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7. The Committee recommends that the Council request the Secretariat to investigate the feasibility of implementing clearly defined sub-projects in the execution of PD 83/90 (F,I) (Research and Development in Logging) within the limits of currently available funds and report on this matter to the next Session of the Committee.
8. With regard to the management of PD 86/90 (International network for Developing Human Resources in Tropical Forest Management - Phase 1), the Committee endorsed the action of the Secretariat in convening the Regional Review Workshops within existing budget approvals that were outlined on page 18 of this report, and recommends that Council approve the release of an additional US \$ 68,000 from existing funds, to ensure the continuity of project outputs including the ITTO Tropical Forest Management Update newsletter until June 1991.
9. The Committee noted that with the pressure of other duties, it had not been possible for the Secretariat to organize the Seminar on the Economic Case for Sustainable Tropical Forest Management which had been approved for conduct with the current Session of the Council under Project PD 148/91 Rev.1 (M,F,I). The Committee therefore recommends that Council approve the use of funds available under this Project to organize a seminar to be held in conjunction with the Twelfth Session of the Council in Yaounde. The Committee further suggests that the Secretariat organize this seminar in consultation with delegates from African Member Countries, and that a possible theme for the Seminar could be that of land use planning and land tenure to secure the permanent Forest Estate.
10. With regard to the future implementation of PD 149/91 Rev.3 (Technical Workshop to Explore Options for Global Forest management), the Committee recommends that the Council approve a reduced budget of US \$ 200,000 for this Project and that Council also give approval for the Implementing Agency to accept additional financial contributions from sources other than International Organizations to increase the sponsored participation of participants from developing countries.
11. With regard to the implementation of PD 159/91 Rev.1 (Studies for the Regulation and Sustained Management of the Tropical Rainforests of the Provinces of Napo and Sucumbios), the Committee recommends that the Council endorse the use of any remaining funds from the Pre-Project on the "Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest products and Maintain the Ecological Balance in Ecuador" to support such a review mission.
12. That Council approve PD 170/91 Rev.1 (F) and allocate US\$298,000 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
13. That Council approve PD 171/91 Rev.1 (F) and allocate US\$2,125,700 for its implementation on condition that no release of funds take place until a detailed workplan for the

implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.

14. That Council approve PD 172/91 Rev.1 (F) and allocate US\$1,065,250 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the Project that meets the requirement of the Secretariat is received by the Secretariat.
15. That Council approve PD 176/91 Rev.1 (F) and allocate US\$714,670 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
16. That Council approve PD 184/91 Rev.1 (F) and allocate US\$495,000 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
17. That Council approve PD 185/91 Rev.1 (F) and allocate US\$3,468,623 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
18. That Council approve PD 188/91 Rev.1 (F) and allocate US\$215,000 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
19. That Council approve PD 189/91 Rev.1 (M,F,I) and allocate US\$118,000 for its implementation.
20. That Council approve PD 194/91 Rev.1 (F) and allocate US 489,000 and US\$939,500 for the implementation of phases I and II respectively on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
21. That Council approve PD 202/91 Rev.1 (F) and allocate US \$ 990,000 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
22. That Council approve PD 203/91 Rev.1 (F) and allocate US\$981,743 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
23. That Council approve PD 204/91 Rev.1 (F) and allocate US\$356,477 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of

the project that meets the requirement of the Secretariat is received by the Secretariat.

24. That Council note the Committee's approval of PPD 43/91 Rev.1 (F) and allocate US\$218,000 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
25. That Council note the Committee's approval of PPD 44/91 Rev.1 (F) and allocate US\$100,000 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
26. That Council note the Committee's approval of PPD 47/91 (F) and allocate US\$200,500 for its implementation on condition that no release of funds take place until a detailed workplan for the implementation of the project that meets the requirement of the Secretariat is received by the Secretariat.
27. The Committee also noted the large number of Projects and Pre-Projects now in active implementation and recommends that the Council request that, for the Twelfth Session of the Council, the Secretariat be asked to prepare a summary of these projects under at least the major headings presented in the ITTO Action Plan, or any such additional activity headings that the Secretariat thinks relevant to the work of ITTO.
28. That Council should encourage the development of an international research and monitoring program with the aim to examine the various impacts of different intensities of harvesting, including biodiversity, site productivity and silvicultural aspects. Any such research and monitoring should take into account the significant work that had been undertaken since the 1950's on the effects of canopy opening.
29. That Council should establish demonstrations of planning and execution of various intensities of harvesting to commercial operators.
30. That future (pre-)project proposals submitted to ITTO that are related to LUS should make explicit reference to:
 - the questions of sustainable wood supply listed on page 10 of the Action Plan:
 - * What are the production alternatives with respect to products and markets?
 - * What species, dimensions, qualities and volumes are required? In the short term - in the long term?
 - * What are the costs and means of harvesting and transportation at alternative industrial sites? Or different choices of raw material mix?
 - * What are the prospects for increased utilization of lesser used species? From forest conservation and

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management point of view? From processing point of view? From market acceptance point of view?

- * What are the long term prospects of industrial plantation forests from the same points of view?
 - * What are the prospects for improved logging and wood handling? Or alternative solutions for wood sales, harvesting and transportation?
 - the need to remove industry and market constraints by improving processing technologies and marketing skills to successfully use the LUS that could be harvested on a sustainable basis, and the desirability of continuity of research and development work in these areas;
 - the ecological and biodiversity aspects of harvesting.
31. The Committee recommends that the Council request the Executive Director, with the assistance of the project formulation team to make a consultative visit to Indonesia to develop a detailed and fully costed proposals of the activities suggested by the Governments of Japan, Indonesia and the United States of America in relation to the protection of tropical forest against fire as discussed in document ITTC (XI)/13 Rev.1 for consideration of the Twelfth Session of the ITTC in Yaounde. This visit should lead to the development of terms of reference for both a field work team and an Expert Panel which would meet to formulate ITTO Guidelines on the Prevention and Suppression of Fire in Tropical Forests.

In making these recommendations, the Committee noted:

- (i) The need to ensure balanced representation of technical expertise and all tropical producing regions in both the Consultative Visit and the proposed Expert Panel.
- (ii) The desirability of these groups taking full, advantage of the work of other international organizations (eg the FAO Silva Mediterranea and the FAO/ILO/EEC Committee on Forest Technology, management and Training) and other recognized centers of expertise in forest fire ecology and management.
- (iii) The offer of the Government of Japan to meet the costs associated with both the Consultative Visit and the Proposed Expert Panel.

15. Report of the Session

The Committee accepted this Report for submission to the Council.

Appendix I

TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

1. PD 81/90 Rev.1 (F) Forest Management Research and Application in the Tropical and Sub-Tropical Moist Forests of the "Chore" Production Forest Reserve

This is a revision of a Project approved the Eighth Session of the ITTC in May 1990. Funds for its implementation were not made available at that time. However, the Council did authorize the Executive Director to start implementation of the project as soon as earmarked funds became available in the special account. To date, such funds have still not become available.

The original project was quite general and covered an enormous geographic area in the spatially separate "Chore" and "Bajo Paraqua" regions. Thus, in addition to the funding availability problems mentioned previously, the Permanent Committee recommended that the implementation of the Project be conditioned by Bolivia presenting a plan for Project execution and engaging a reputable consultant to report to the ITTO Secretariat on arrangements for the Project. The revised document has been prepared by Ing. Lincoln Quevera in response to the comments of the Committee at its Sixth Session.

The revised Project Document is a much more detailed document than that approved by the Eighth Session of the Council, and has focused all investigations and activities into the Chore Production Forest, an area of some 900,000 ha. This area is readily accessible by a variety of transport mechanisms and is located some 150km north-west of Santa Cruz, the location of the Gabriel Rene Moreno Autonomous University, well established timber industry facilities and an international airport that provides a useful transport hub for regional training purposes. The objectives of the 5 year Project include:

- a) Development of ecologically sustainable, economically viable, technically appropriate and easy-to-use forest management techniques.
- b) Implementation of a Pilot Forest Management Plan for demonstration purposes.
- c) Introduction of new species into the timber market.
- d) Participation of timber companies in forest research activities.
- e) Promotion of the use of forest management practices by the timber sector.
- f) Training in the field of forestry and forest management.
- g) Transfer of forestry technologies to timber companies, institutions, forest projects, rural communities, native groups, etc.

- h) Establishment of an efficient coordination network between the Project and other Latin American projects in the field of tropical forest management.

The revised Project Proposal substantially provides the additional information requested previously by the Committee. With its focus on the linkage between improvements in forest management to both timber concession management and human resources development in forest management and its convenient geographic location, the project has considerable potential to act as a region demonstration site.

Appraisal by the Panel of Experts

The Panel noted the project's previous history of approval subject to the Committee's requirement that a detailed plan of execution be prepared and considered that the project's development objective of promoting rational utilization through the implementation of sustained yield forest management systems was relevant to ITTO's objectives, Action Plan, Target 2000 and special area of expertise. However, the Panel felt that the bulk of the activities of the Project focused on silvicultural trials that would be important for the longer term development of sustainable management, but which did little to bring about any immediate improvements in practice.

The panel noted that the development of a "demonstration management plan" was listed as one of the specific objectives of the project but that the development and implementation of a such a plan did not appear to have primary priority in either the statement of objectives or the proposed activities. Furthermore the panel could not ascertain from the project document whether this plan would simply be for a small sub-area of the Chore Forest or for the whole forest.

In this context, Panel members expressed concern about the relative priority given to research and action, particularly in the light of the existing harvesting concessions operating unsustainably in the area and the pressure from colonists for forest conversion. Panel members stated that ITTO should not countenance a situation of its funding long-term trials without addressing the more immediate problem of bringing forest destruction and exploitation under control. The Panel felt that such research activities in the absence of immediate commitment and action to halt unsustainable forest use would not be consistent with the priorities of achieving target 2000. Furthermore, the panel felt that the results of such longer-term research could prove to be meaningless as forest resource values and future forest resource use options were under immediate threat due to the continuation of unsustainable practices.

Recommendations by the Panel of Experts

In the light of the above concerns, the Panel recommended that the current five year project be reformulated into two phases, with Phase I operating from Years 1-2 and Phase II from years 3-5.

The Phase I Project should aim to produce an interim sustainable management plan for the "Chore" Forest Production reserve that is consistent with ITTO Guidelines and will:

1. Determine an appropriate cutting cycle and annual harvesting limit on the basis of the available inventory data.
Alternatively, if current inventory data is inadequate, interim

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annual area allocations should be made on the basis of the net productive area divided by a defensible cutting cycle length.

2. Outline a commitment of the Government of Bolivia to an institutional framework that will ensure that sustained yield allocations are not exceeded and that the different arms of government do not frustrate the implementation of the plans for sustainable management through the encouragement of colonist activities or the issuing of land occupation or land clearing permits. The framework should also include provisions for rationalizing the present number of concession holders if this is necessary to bring resource exploitation in balance with the sustainable capacity of the "Chore" forests.
3. Identify complementary social and rural development activities that might be needed to equitably respond to pressures on the forest from rural populations.
4. Outline the procedures that would be used to secure the participation of local people in the development of a management plan for the area.
5. Determine the exact management, research and monitoring activities that will require detailed study in the second Phase of the Project.

In the final stage of the first Phase of the project, the currently proposed research activities should be re-evaluated in the light of the management research and monitoring needs determined in the evaluation outlined in 4 above. An appropriately modified research Plan should then be prepared for implementation in the second Phase of the Project.

Conclusion

The Panel concluded that complete reformulation of the proposal would be essential to achieve the stated objectives, before it could be commended to the Committee for proper appraisal.

The Committee noted the comments of the Panel of Experts and the history of approval for the project. The Committee was also advised by the Delegation of Bolivia that they accepted the comments of the Panel of Experts and that they be revising the Project for consideration at the next Session of the Council.

2. PD 120/91 Rev.2 (F,I) Development of Operational Model for Sustainable Management of Tropical Forests

The development objective of the Project is to optimize the contribution of forestry to State development through sustained development of forest land use and management and forest based industrialization. The Project will assist in achieving this objective by:

1. Complementing existing FAO/UNDP and Malaysia-German forestry projects in Sabah to develop both model management areas and the human resources necessary for sustainable forest management.

2. Providing operational training for local foresters and counterparts on a model management plan,
3. Intensifying technology transfer through development of forestry institutions in the State.

The Project will direct its manpower development efforts towards the State Forestry Department and the forest industry community. Better raw material utilization, expanded value-added production, higher productivity and development of conservation conscience will be given attention.

Appraisal by the Panel of Experts

In reviewing the revised project, the Panel recalled its previous comments, and the comments of the Eighth Session of the Committee of Reforestation and Forest Management and the comments in the Secretariat's Project Brief in relation to the specific changes made to the Rev. 2 document. The Panel also noted that many of the issues it raised previously and many of the issues raised by the Committee were in fact mentioned in the revised document. However, the panel felt that the level of information in the current project proposal was still too general to allow it to make a detailed evaluation of the project proposal for the information of the Committee. In particular, the following issues were most crucial:

- * The basic objectives of the project - From the descriptions provided, it was still not clear what the overall objective of the project was. A number of interpretations were suggested by different members of the Panel and the fact that a number of interpretations could be given is itself an indication of the problems the panel faced.
- * The project title refers to the "Development of an operational model". However, from the text of the project, it is not clear what balance between training people in forest planning/plan implementation skills and actually developing and applying forest management plans for particular areas is proposed.

Recommendations by the Panel of Experts

That the project be revised giving attention to the above problems by:

1. Clarifying whether the overall objective of the project is to produce management plans for particular areas or simply to develop the capacity to produce such plans through training. If the latter is the case, a statement of how these trained staff will be used in forest management and planning should be included in the revised proposal.
2. Providing details of the proposed management planning study area (or areas if there are more than one), including details on the area's location, area, forest type, forest management history, social context with regard to forest dwellers or other local communities and the availability of inventory data and other resource management information.
3. Providing information on the planning methodologies being proposed including details of procedures that will be used to

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obtain or promote community consultation and involvement in the planning process.

4. Providing details of the specific ecological, social and planning skills that the training courses will seek to impart.
5. Providing detailed terms of reference for all national and international staff who will be employed on the project together with the terms of reference for the currently unspecified consultants outlined in the project documents.
6. Providing more details on the nature, location and specific costing for the fellowship training courses for the 2 instructors together with locations of major international travel destinations and the objectives for various trips or study tours.
7. Providing more explicit details on the number and unit costs of the various items of both field equipment and training materials that are proposed for purchase under the project.

Conclusion

The Panel concluded that a complete reformulation of the Proposal would be essential to achieve the stated objectives and that such a reformulation was also essential before the Project could be commended to the Committee for Proper appraisal.

The Committee noted the comments from the Malaysian Delegation that the project proposal was being further revised for submission to the next Session of the Council.

3. PD 170/91 (F) Modernization and Development of Egyptian Forest Nurseries

Egypt is a developing country that is largely devoid of forests and as a result, it is a large importer of timber and other wood products. In 1982, imports of timber and wood panels alone cost the Egyptian economy some US \$600 million and national reforestation policies are in place that aim to reduce the countries dependence on timber imports.

In this context, the project has specified the following objectives:

- (i) Improving the existing national forest nursery infrastructure to lift seedling production to some 1 million seedlings per year to service national afforestation projects.
- (ii) Establishing demonstration plantings for tree plantations, shelterbelts, windbreaks and roadside woodlots.
- (iii) Providing on the job forestry training for technical staff of the Ministry of Agriculture and Land Reclamation.
- (iv) Contributing to the production of a long-term strategy to meet increasing national needs for forests and forest products.

While is a developing country, Egypt is a Consumer Member of ITTO. However, approximately some 20% of its land area lies south of the Tropic of Cancer.

Appraisal by the Panel of Experts

All members of the panel felt sympathy for the project proposals and objectives though members differed in their assessment of the relevance of the project to ITTO priority areas. While several members saw the project as being consistent with the ITTA and some aspects of the ITTO Action Plan in the field of Reforestation and Forest Management, the panel in general did not feel that the project had special relevance to Target 2000 or to ITTO's specific expertise in relation to the linking of conservation and development in production tropical forests. However, the panel recognized that resolution of this issue of relevance was appropriately a task for the Committee and the Council.

Technically, the panel felt that the proposals could have been more detailed in a number of areas and that there appeared to be a degree of overlap between the proposals in this project and those presented by the Government of Egypt in the Proposal for PD 184/91 (F).

Recommendations by the Panel of Experts

To improve the technical presentation of the Proposal, the Panel recommended that the Proposal be revised by:.

1. Specifying the number of nurseries, their location, scale and specific production objectives in terms of species and potential end uses.
2. Providing details of timber production objectives, environmental amelioration objectives and any procedures that might be planned to promote multi-purpose plantings with both timber production and other objectives.
3. Providing details of any national contribution to the project in terms of both monetary allocations and in-kind allocations of staff resources and facilities.
4. Providing more specific costing details on the various line items in the budget and the inclusion of a line item for ITTO monitoring and evaluation of the project.

Conclusions

The Panel was divided in its view on the relevance of the Proposal for ITTO support, and therefore felt that the decision on relevance should be taken by the Committee itself. Subject to this decision, the Panel concluded that revision of the Project Proposal to incorporate the additional information outlined above would be essential before the Project could be commended to the Committee for appraisal.

The Committee noted that the revised project proposal had explicitly dealt with all the technical reformulation requirements of the Panel of Experts, and that this clarified to a large extent the wood production objectives of the project vis-a-vis the purely environmental amelioration objectives of the proposal.

Like the panel however, the Committee was divided about the degree of relevance of the proposed project to ITTO. In general, the Committee expressed support for the project objectives and the technical design of the revised proposal.

After some discussion, the Chairman concluded without dissent that while he considered that the project did not contribute directly to major ITTO objectives like Target 2000, there was no justification in either the ITTA or the past Project approval practices of ITTO to preclude approval and funding of the project. The Committee therefore decided to recommend the approval of the project and the allocation of US \$298,000 for its implementation on condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is received by the Secretariat.

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

Mangrove forests still have quite extensive distributions in Colombia built many areas are under development and some have been degraded by past over exploitation for both timber and other forest products such as tannin. Mangrove forests are economically important to many coastal communities and the overall objective of the project is to incorporate the management of mangrove forests into sustainable development strategies for the inhabitants of the coastal regions of Colombia. Specific objectives include:

- * Evaluating the structure, composition, distribution and condition of the country's mangrove forests.
- * Developing greater knowledge of the critical ecological factors associated with the maintenance, productivity and management of mangrove forests.
- * Developing more effective mangrove management techniques including rehabilitation techniques for degraded areas.
- * Developing a global management strategy for Colombian mangrove forests for timber, other forest products, wildlife and environmental protection purposes.
- * Involving coastal inhabitants in mangrove management programme and thereby contributing to raising their standard of living.

Appraisal by the Panel of Experts

The Panel felt that the project was in accord with the objectives of ITTO and that the overall approach of information gathering, plan formulation, the establishment of pilot scale demonstration sites and the formulation of project proposals for wider application was sound. Furthermore, the panel welcomed the incorporation of community involvement and social survey activities as key components of the project. However, the panel felt that many aspects of the project proposal were too general and that more details needed to be included to allow a proper appraisal of the project.

Recommendations by the Panel of Experts

The Panel drew attention to the need for clarification and inclusion of the following:

1. The need to establish the policy context of the proposal in more detail. In particular, the panel noted that while a number of agents leading to the destruction and degradation of mangroves were outlined the forces behind these pressures were not adequately discussed, nor were the reasons for the apparent failure of resource management institutions in Colombia to control these forces in the past. The panel felt the policy and institutional context that the project would operate in should be outlined to give it confidence that the planning activities envisaged in the project could be translated into improvements in on-the-ground management in the future.
2. The need for the project to extend its critical review of existing information on mangrove ecology and management in Colombia to information from similar areas elsewhere in Latin America, Africa and Asia. In particular, full account should be taken of related work conducted under the auspices of IUCN in Costa Rica and Nicaragua and the work being undertaken by the recently approved ITTO mangrove management projects in Panama.
3. The fact that the scope of the project was quite large with many disparate activities that might be difficult to effectively achieve and integrate in the time proposed. The panel felt that some prioritization of project aims and activities may therefore need to be undertaken to better focus resources.
4. The need to provide much clearer specification of both project outputs and project activities. It was noted that the same wording was used to describe both outputs and activities in some instances and that clarification in this area would facilitate evaluation of the project proposal and help to define project priorities as indicated above.
5. A need to provide more explicit details in the budget with regard to the provision of field equipment and the precise costing for particular staff resources. The panel felt that a full outline of the counterpart Colombia budget should have been provided and noted that the uncosted provision of Colombian professional input was only for two years while the ITTO staff component and the stated project life were for three years. The panel also noted that the salary levels quoted for both national and international staff seemed to be low by prevailing Latin American rates and that some revision of the budget with more specific justifications of the budget assumptions would be desirable.
6. The panel also question the current composition of the professional input into the project. In particular, the panel wondered whether a botanist was really necessary given the fairly simple species composition of mangrove forests in Latin America. The panel also felt that reliable quantitative volumetric inventory data was particularly important if exploitation was to be regulated on a sustainable basis and that the inclusion of a mensuration specialist would be essential.

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They also felt that it would be essential to include a geographic information specialist in the team to synthesize map and other resource data into formats relevant to planning and community involvement programmes.

Conclusions

The panel concluded that the project proposal should be revised to address the above concerns. In doing so, the panel noted the pre-project proposal from the Colombian Government on the "Review of the National Forest Situation so as to Establish a National Policy for this Sector in Colombia" and the request of the Colombian Government for a Project Review Mission. The Panel felt that such a Mission could usefully assist in the revision of this project as part of its brief, provided that it included appropriate expertise in mangrove management.

Subject to the incorporation of the above essential modifications the Panel concluded that the project should be commended to the Committee for final appraisal and approval.

The Committee noted the clear response of the Government of Colombia to the comments of the Panel of Experts and recommended that the Project be approved and that US \$ 2,125,700 be allocated for its implementation on condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is received by the Secretariat.

5. PD 172/91 (F) The Recovery of Natural Systems of the Hillsides of Caqueta

The hillside ecosystems of Caqueta have been severely degraded as a result of past land use practices associated with colonization in the area. The overall objective of the project is rehabilitate the forest ecosystems in the low hills to recover the area's sustainable wood production potential and other resource use potentials.

The project will be implemented over a three year period and will involve resource evaluation, socio-economic research and the development of a recovery plan in consultation with affected residents. Pilot scale demonstration areas of key elements of the recovery plan will also be established.

Appraisal by the Panel of Experts

The panel felt that the objectives of the project were laudable and that they appeared to be in accordance with the priorities of ITTO. However, the Panel also felt that the presentation of the project was far too general to allow it to give the proposal a full or meaningful appraisal.

Recommendations by the Panel of Experts

More detail should be provided to repair the following gaps in the information given.

1. A lack of general background on the proposal area including details of land tenure; the extent of forest and its condition and current patterns of use; the production significance of the existing forest; the potential economic significance of the

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rehabilitated forest; the number of people living in or near the area; and the interest of these people in the forest and its potential rehabilitation.

2. A lack of information on the aims of the restoration processes proposed for the area vis, does restoration simply aim to re-establish a protective cover, or does it aim to create a future resource base for timber utilization and/or other forest uses?
3. The lack of information on the processes of restoration ecology that are proposed for the subject area. For example, a literature review of available technologies and the proposed approach would have been helpful in terms of assessing the relevance of the proposal.
4. The lack of budgetary information on any national contribution to the project.

In making these recommendations the panel noted that the suggested project life of three years was relevant to the development of a rehabilitation strategy but not to testing or implementing such a strategy. The panel was also unsure whether the lack of the above information indicated that it was not available for the proposed study area or whether assistance in project formulation was required. If the latter is in fact the case, the project could usefully be reviewed by the project formulation Mission suggested in relation to PD 171/91 (F). However, if the former is the case, a Pre-Project to gather such information may be more appropriate.

Conclusion

The Panel concluded that detailed information as indicated in its recommendations above would be essential to determine both the extent to which the project might contribute to ITTO objectives and priorities, and the likelihood of the proposal meeting its stated objectives. Substantial reformulation of the proposal to provide the necessary details and clarifications is therefore needed before the project could be commended to the Committee for proper appraisal.

The Committee noted the clear response of the Government of Colombia to the comments of the Panel of Experts and recommended that the Project be approved and that US \$ 1,095,250 be allocated for its implementation including an allocation of US \$30,000 for ITTO monitoring and evaluation. The Committee also felt that there should have been a more detailed break down of project costs, and some additional information was provided by the Delegation of Colombia following fax communication with Colombia. However, the Committee still felt that approval should be on condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is received by the Secretariat.

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

Sangoue forest, Divo forest, Lahouda forest, Zuke forest and Davo forest, with a total of 98,729 ha are the focus of this project. These forests, which are threatened by agricultural development pressure, are the only ones remaining in this area well known for its agriculture production.

The objective of the project is to protect these forests and to implement effective reforestation programmes in order to rehabilitate the deforested areas of this region. The proposed way for achieving this objective is to establish in this area a forest training and extension centre which will be in charge of the implementation, the monitoring and the evaluation of activities proposed in order to meet the objectives of the project, which include:

- the production of planting stock and the establishment of 30,000 to 40,000 ha in the area,
- the development and implementation of a forest management system,
- the implementation of bush fires control and prevention system,
- the incorporation of training and extension programmes involving the local population at each stage of the previous activities.

Appraisal by the Panel of Experts

The Panel felt that the project is in line with the objectives of the ITTA and the ITTO Plan of Action. In particular, the end result of the project should be to reduce the pressure on the remaining natural forests in this region and allow the rehabilitation of deforested areas by boosting reafforestation programs with the cooperation of the local population. However, the Panel felt that many aspects of the project needed considerable additional clarification. In particular, the panel was concerned that:

1. The objectives of plantation development were not clear, viz, is it for fuel wood, for industrial wood production, for local consumption or export purposes? Which species will be planted?
2. The development and outputs of training activities were not clearly specified.
3. The mechanisms of involving local populations in various project activities are not clear, nor are their direct benefits from the project. In addition, no indication was given with regard to local land rights issues.
4. The problem of land tenure has not been adequately addressed in the project proposal.
5. Future management plans, for natural forests, as well as for plantations should reflect ITTO Guidelines on the same issues. However, no reference has been made to these Guidelines in the project proposal.
6. Clear information on how the project will be monitored and evaluated has not been given.

The Panel also felt that it would be difficult for ITTO to be engaged in large scale building construction or long-term reforestation programs at the present time. Rather, it felt that immediate emphasis should be given to policy development and other practical actions towards achieving Target 2000.

Recommendations by the Panel of Experts

1. That the project be reformulated and be linked to a clear national strategy consistent with ITTO objectives and guidelines.
2. Taking into consideration the fact that the Government of Côte d'Ivoire is taking steps towards developing sound management practices and reforestation programs, the Panel felt it necessary to have ITTO help the country in defining the overall strategies and project proposals for sustainable management. An ITTO mission to Côte d'Ivoire is therefore recommended. In addition, the ITTC may consider asking the Executive Director to make necessary contacts with the World Bank and other development assistance agencies to ensure appropriate coordination of action eg, a possible joint mission to Côte d'Ivoire.

Conclusions

The Panel concluded that complete reformulation of the Project Proposal was necessary before the Proposal could be commended to the Committee for proper appraisal. It was also felt that it would be desirable to take advantage of the Project Formulation Mission suggested for PD 109/90 Rev.2 to aid in this process.

The Committee was unable to comment further as no revision of the project was available for its consideration.

7. PD 175/91 (F) Sustainable Forest Management in the "Bajo Paragua" Production Forest Reserve

This is in part a revision of the original PD 81/90 (F) Project which was approved by the Eighth Session of the ITTC in May 1990. Funds for its implementation were not made available at that time. However, the Council did authorize the Executive Director to start implementation of the project as soon as earmarked funds became available in the special account. To date, such funds have still not become available.

The original project was quite general and covered an enormous geographic area in the spatially separate "Chore" and "Bajo Paragua" regions. Thus, in addition to the funding availability problems mentioned previously, the Permanent Committee recommended that the implementation of the Project be conditioned by Bolivia presenting a plan for Project execution and engaging a reputable consultant to report to the ITTO Secretariat on arrangements for the Project. As noted in the Project Brief prepared for PD 81/90 Rev.1 (F), the revised document has been prepared for PD 81/90 by Ing. Lincoln Quevera in response to the comments of the Committee at its Sixth Session, and concentrates its efforts exclusively on the "Chore" Production Forest Reserve. PD 175/91 (F) is a new proposal submitted by the Government of Bolivia to cover the "Bajo Paragua" Production Forest Reserve. It has a separate implementing agency to the revised "Chore" Project and is spatially separate unit to the "Chore" Production Forest area.

The Bajo Paragua Permanent Forest Reserve is located some 400km north-east of Santa Cruz and covers an area in excess of 3.3 million ha. It is located immediately adjacent to the Noel Kempff Mercado Biological

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Reserve and its buffer zone which together cover an additional 914,000ha extending up to the Brazilian border. Commercial logging started in the area in 1974 but has been highly selective with utilization largely limited to the high grading of two species Mara (*Swietenia macrophylla*) and Oak (*Amburana caerensis*). Supplies of these two favoured species have been significantly depleted and to date no post-logging silviculture has been practiced. Areas within the forest are now under pressure from colonists who have gained ready access to the forest from logging roads etc.

The aim of the Project is to introduce sustainable forest management into the Bajo Paragua Production Forest Reserve by a forest management development programme that includes:

- * The development and implementation of a pilot management plan in the reserve and the integration of existing forest concessions into this new forest management system.
- * Undertaking the necessary research to ensure that management techniques are specifically adapted to local conditions.
- * The optimizing of timber utilization processes to promote industrialization and higher value added production.
- * Improving the welfare of rural people living in and near the project area to reduce social pressures for forest encroachment.
- * Exchanging experiences with similar forest management projects in Bolivia and elsewhere in the Amazon Region so as to promote joint actions to promote sustainable forest utilization in the region.

Appraisal by the Panel of Experts

The Panel noted the project's derivation from a previously approved Project [PD 81/90(F)] which referred to the Chore and Bajo Paragua" production forests and the fact that this was now a separate project proposal in its own right. Furthermore, the Panel considered that the project's objectives were relevant to ITTO, its Action Plan, Target 2000 and special area of expertise. However, while the production of a management plan for sustainable management and the proper management of renewable natural resources were listed as project outputs on Page 18 of the proposal, the Panel felt that the bulk of the activities in the Project focused on silvicultural research trials that would be important for the longer-term development of sustainable management. However, the Panel felt that this focus would do little to bring about any immediate improvements in practice.

In this context, Panel members expressed concern about the relative priority given to research and action, particularly in the light of the existing harvesting concessions which are apparently operating unsustainably in the area, the presence of indigenous forest dwellers in the area and the potential pressure from colonists for forest conversion. Panel members felt that ITTO should not fund long-term trials without addressing the more immediate problem of bringing forest destruction and exploitation under control. The Panel felt that such research activities in the absence of immediate commitment and action to halt unsustainable forest use would not be consistent with the priorities of achieving target 2000. Furthermore, the panel felt that the results of such longer-term research could prove to be meaningless as forest resource values and

future forest resource use options were under immediate threat due to the continuation of unsustainable practices.

The Panel therefore felt that a re-orientation of the Project to forest planning and implementing immediate control was a necessary precursor to the establishment of extensive research trials. Other specific concerns of the Panel included:

1. The lack of information on the Institutional framework that would guarantee the physical integrity of the area as outlined in paragraph 2 of page 5.
2. The lack of any explicit details of the specific steps that would be taken to consult with local people and secure their participation in the planning and execution of management systems for the reserve.
3. The lack of reference to the use of ITTO Guidelines in producing a plan of management for the reserve.
4. The level of information provided about current land use activities and pressures that might affect the future viability of the plans for the area.

Recommendations by the Panel of Experts

In the light of the above concerns, the Panel recommended that the current five year project be reformulated into two phases, with Phase I operating from Years 1-2 and Phase II from years 3-5.

The Phase I Project should aim to produce an interim sustainable management plan for the "Bajo Paragua" Forest Production Reserve that is consistent with ITTO Guidelines and will:

1. Provide a total land use context for this extensive reserve and its immediate surrounds including the provision of supporting totally protected areas within the Production Reserve to link with the Noel Kempff Mercado National Park and its surrounding buffer, and the appropriate agricultural development of lands surrounding the total forest reserve so as to facilitate both the present and the future protection of the forest reserve complex.
2. Determine an appropriate cutting cycle and annual harvesting limit on the basis of the available inventory data. Alternatively, if current inventory data is inadequate, interim annual area allocations should be made on the basis of the net productive area divided by a defensible cutting cycle length, with appropriate provision for the proper regeneration of key species.
3. Outline a commitment of the Government of Bolivia to an institutional framework that will ensure that sustained yield allocations are not exceeded and that the different arms of government do not frustrate the implementation of the plans for sustainable management through the encouragement of colonist activities or the issuing of land occupation or land clearing permits. The framework should also include provisions for rationalizing the present number of concession holders if this

is necessary to bring resource exploitation in balance with the sustainable capacity of the "Chore" forests.

4. Identify complementary social and rural development activities that might be needed to equitably respond to needs and aspirations of the indigenous forest peoples and the pressures or potential pressures on the forest from rural populations.
5. Determine the exact management, research and monitoring activities that will require detailed study in the second Phase of the Project.

In the final stage of the first Phase of the project, the currently proposed research activities should be re-evaluated in the light of the management research and monitoring needs determined in the evaluation outlined in 4 above. An appropriately modified research Plan should then be prepared for implementation in the second Phase of the Project. This research plan should aim to provide a better silvicultural basis for management of the area in the future, in the context of an integrated forest industry model based on utilization of a broader range of species than at present.

Conclusion

The Panel concluded that complete reformulation of the proposal would be essential to achieve the stated objectives and to maximize the opportunities for making a significant contribution to sustainable forest management in harmony with the environment and with the needs of the local population. This should be undertaken before the proposal could be commended to the Committee for proper appraisal.

The Committee noted the comments of the Panel of Experts and the history of approval for the related project PD 81/90 Rev. 1. The Committee was also advised by the Delegation of Bolivia that they accepted the comments of the Panel of Experts and that they be revising the Project for consideration at the next Session of the Council.

8. PD 176/91 (F) Sustained Management for Production, Conservation, Demonstration, Diffusion and Promotion Activities in Moist Tropical Forests in Ecuador's Northwest

The project is designed to develop demonstration models for forest management within an area of 800 ha in the province of Esmeraldas. In this purpose the project is composed with 5 elements:

- A. Conservation in-situ and ex-situ: 250 ha
- B. Natural regeneration improvement of forest under selective cutting: 200 ha
- C. Forest plantation, species introduction essays, provenances studies and native species arboreta: 200 ha
- D. Rehabilitation of suitable soils with forest aptitude: 150 ha
- E. Extension and evaluation

The information and data collected by the project and the models developed during the project will contribute to the promotion of the sustainable utilization of forests. They will provide a regional demonstration that silvicultural activities, forest utilization, protection and preservation are complementary, achievable and sustainable.

Appraisal by the Panel of Experts

The Panel considered that the proposal was relevant to ITTO Objectives and Plan of Action. The Project was well designed on a clear scientific basis and establishes a strong linkage between conservation and exploitation. The Proposal has the potential to develop sound demonstration models concerning key forest management issues such as forest conservation, forest regeneration, forest plantations, forestry extension and the involvement of local populations, national institutions and NGOs.

The Project is therefore of regional value for Latin America countries considering the various parties and situations involved. However, the dissemination of results needs to be given greater attention and consideration could be given to using the INFORANDES network for this purpose. The Proposal potentially offers an innovative method for implementing the ITTO Guidelines for both natural forests and plantation forest management. Its potential demonstration role could also contribute directly to Target 2000, although the major benefits of the Proposal will be obtained in the more distant future.

The Panel did however express concern about some elements of detail in the Project Proposal including the lack of information on the mechanisms to achieve the participation of local people; the complexity of management that might arise from the proposed mixing of natural regeneration and plantation management strategies; the complexity of the objectives statement; the adequacy of the three year period to fully evaluate results and the need for budgetary allocations to cover both the measurement and analysis as well as the implementation of the trials; the number of international experts and associated salary costs when local expertise may be available; and some uncertainty re aspects such as the future ownership of the plantations and the distribution of benefits from the plantations.

Recommendations by the Panel of Experts

Revise the Project Proposal to address the above concerns by:

1. Consolidating the objective into a clear and concise statement of the overall aim and a series of measurable outcomes.
2. Providing clarification of the mechanisms that will be used to secure the participation of local communities in the Project.
3. Providing details about the future tenure of land and the future ownership of any plantations that are established.
4. Outlining the principles and mechanisms that will be eventually used to distribute the benefits produced by the plantations.
5. Providing terms of reference for all key personnel and outlining with detailed justification, the minimum number of international experts needed to achieve the objectives of the Project.
6. Outlining a strategy for the effective dissemination of results both within Ecuador and the wider region.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval.

The Committee noted the clear response of the Government of Ecuador to the comments of the Panel of Experts and recommended that the Project be approved and that US \$ 714,670 be allocated for its implementation on condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is received by the Secretariat.

9. PD 184/91 (F) Multipurpose Tree Planting in Egypt

Egypt is a developing country that is largely devoid of forests and as a result, it is a large importer of timber and other wood products. In 1982, imports of timber and wood panels alone cost the Egyptian economy some US \$600 million and national reforestation policies are in place that aim to reduce the countries dependence on timber imports.

In this context, the project has the overall objective of offsetting the adverse ecological and environmental conditions through the promotion of afforestation as a component of sustainable rural development and the control of desertification. In particular, the project aims to:

- (i) Contribute to checking sand encroachment on agricultural areas and infrastructure.
- (ii) Contribute to increasing income to farmers through the production and sale of timber and wood products.
- (iii) Increase national wood production.
- (iv) Maximize the contribution of forestry to the national economy in general and to rural development in particular.

While is a developing country, Egypt is a Consumer Member of ITTO. However, approximately some 20% of its land area lies south of the Tropic of Cancer.

Appraisal by the Panel of Experts

All members of the panel felt sympathy for the project proposals and objectives though members differed in their assessment of the relevance of the project to ITTO priority areas. While several members saw the project as being consistent with the ITTA and some aspects of the ITTO Action Plan in the field of Reforestation and Forest Management, the panel in general did not feel that the project had special relevance to Target 2000 or to ITTO's specific expertise in relation to the linking of conservation and development in tropical production forests. However, the panel recognized that resolution of this issue of relevance was appropriately a task for the Committee and the Council.

Technically, the panel felt that the proposals could have been more detailed in a number of areas and that there appeared to be a degree of overlap between the proposals in this project and those presented by the Government of Egypt in the Proposal for PD 170/91 (F).

Recommendation by the Panel of Experts

To improve the technical presentation of the Proposal, the Panel recommended that the Proposal be revised by:

1. Providing a clearer definition of objectives, outputs and activities for the four major components suggested in various parts of the project proposal, viz the development of a national afforestation programme plan, the development of a national seed center, the development and modernization of forest nurseries and the undertaking of field planting programmes.
2. Defining the time-frame and procedures to be used to develop the national afforestation plan giving particular attention to the issues of resolving possible conflicts with food production and the involvement of local communities in target afforestation areas.
3. Outlining the location, scale and operational details for the proposed national seed center.
4. Detailing the specific number of nurseries, their location, scale and specific production objectives in terms of species and potential end uses.
5. Providing details of timber production objectives, environmental amelioration objectives and any procedures that might be planned to promote multi-purpose plantings with both timber production and other objectives. The geographic location of proposed tree planting sites should also be outlined.
6. Providing details of any national contribution to the project in terms of both monetary allocations and in-kind allocations of staff resources and facilities.
7. Providing more specific costing details on the various line items in the budget and the inclusion of a line item for ITTO monitoring and evaluation of the project.

The Panel also noted that there was a line item in the budget for a shelterbelt designer (US \$10,000) but that no mention of this aspect of the project had been made in the text. In addition, they noted that no details had been given on the institutional framework for the project and that no mention or budget allocation was made for either National or ITTO monitoring. The Panel also noted that Section 7 on the "Framework for Effective Staff Participation" was identical to that presented in the proposal for PD 170/91 (F) and wondered if there had been a error in compiling the two proposals.

Conclusions

The Panel was divided in its view on the relevance of the Proposal for ITTO support, and therefore felt that the decision on relevance should be taken by the Committee itself. Subject to this decision, the Panel concluded that revision of the Project Proposal to incorporate the additional information outlined above would be essential before the Project could be commended to the Committee for appraisal.

The Committee noted that the revised project proposal had explicitly dealt with all the technical reformulation requirements of the Panel of Experts, and that this clarified to a large extent the wood production objectives of the project vis-a-vis the purely environmental amelioration objectives of the proposal.

Like the panel however, the Committee was divided about the degree of relevance of the proposed project to ITTO. In general, the Committee expressed support for the project objectives and the technical design of the revised proposal.

After some discussion, the Chairman concluded without dissent that while he considered that the project did not contribute directly to major ITTO objectives like Target 20000, there was no justification in either the ITTA or the past Project approval practices of ITTO to preclude approval and funding of the project. The Committee therefore decided to recommend the approval of the project and the allocation of US \$495,000 for its implementation on condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is received by the Secretariat.

10. PD 185/91 (F) Sustainable Forest Management and Development in Peninsular Malaysia

The total land under natural forest in Peninsular Malaysia is estimated at 5.51 million ha, out of which 2.36 million ha are logged-over production forest. The logging system used to date has proved to be mechanically effective and cost efficient in lowlands forests which have since been converted to agriculture. However, since the operations are now moving into steeper terrain, logging impact is damaging on the residual stands, inhibiting forest regeneration and causing other environmental damage.

The objectives of the project are two fold. The first is to develop and disseminate better harvesting and logging methods for hill forests, while the second is to develop and extend enrichment planting techniques for logger-over forests. The first objective will be achieved through activities such as reviewing the existing logging methods, surveying logging damage, conducting trials to develop new harvesting methods and dissemination of the technology developed to industry operations. The second objective will be met with activities such as preparing planting stock, refining planting and vegetative plant propagation methods, enrichment planting trial plots covering 1,200 ha logged-over forests, and dissemination of the technology developed.

Appraisal by the Panel of Experts

The Proposal contains a well conceived research project relevant to the ITTO's objectives and its Plan of Action. It will also contribute to the implementation of ITTO Guidelines on sustainable forest management. However, the Panel felt that greater emphasis should be given to the aspects of the project concerned with the assessment and control of logging damage and training as these were more likely to lead to immediate improvement in forest management thereby contributing to the attainment of Target 2000.

The Panel also felt that it needed clarification of a number of issues before it could commend the project to the Committee. Specific

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points of concern included the relation between and the relative priority given to the logging damage and the enrichment planting aspects of the project; the need to link the enrichment planting studies explicitly with strategies to promote sustainability and the achievement of Target 2000; the high cost of international personnel when Malaysian expertise was thought to be available; the need to avoid duplication and build on the experience of past work in Malaysia and elsewhere in the Region, the need to provide for effective dissemination of results and the need for more detail on some aspects of the budgetary allocations.

Recommendations by the Panel of Experts

The Proposal should be revised to address the above concerns by:

1. Outlining the reasons for the timing of the two phases of the project in terms of the logical continuity of work.
2. Giving greater emphasis to the logging damage aspects of the study. Methodologically, the proposal should be related to the ITTO Guidelines on Sustainable Forest Management and the findings of the ITTO Pre-project Study on "Improvement of Harvesting Systems for Sustainable Management of Tropical Forests" which was presented to the Committee in Bali as document PCF(VI)/10.
3. Giving an on-going commitment beyond the second year of the project to training in the area of logging damage control. Such training should also be focused down to the operator level to help ensure that changes in policy are translated into field practice. Taking into consideration the possibility of disseminating the results on a regional basis, the number of forest officers coming from other ITTO Member countries to be trained should be raised with corresponding adjustments to the budget.
4. Indicating how all aspects of the proposal are linked to forest management plans to achieve sustainability, and how the various ITTO Forest Management Guidelines have been used to help formulate the proposal.
5. Demonstrating that the results of previous work on enrichment planting in Malaysia, South-East Asia and elsewhere have been taken into account in project design by including a comprehensive literature review. This review should outline the potential of enrichment planting as an operational forest management practice in Peninsular Malaysia. It should also provide a justification for the methodology proposed for the study. Details of any proposed collaboration with FRIM or other regional research centers in the execution of the proposal should also be given.
6. Providing greater emphasis in both the project activities and the project budget on the dissemination of results both within Malaysia and to other member countries in the Region.
7. Providing terms of reference for all key personnel including justification for the use of international staff when considerable silvicultural expertise exists in Malaysia itself.

8. Providing more explicit details on the specific project areas and various aspects of the proposed budget. For example, the proposal currently-4 suggests unspecified ITTO equipment allocations of \$80,000 and \$50,000 in Phases I and II respectively.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval.

The Committee noted the clear response of the Government of Malaysia to the comments of the Panel of Experts and recommended that the Project be approved and that US \$3,468,623 be allocated for its implementation on condition that no funds be released until a detailed workplan that meets the requirements of the Secretariat is received by the Secretariat.

11. PD 186/91 (F) Tree Flora of Sabah and Sarawak

The objective of the project is to work out and publish a complete document (4 volumes) on the flora of Sabah and Sarawak. The document will cover all families of following plants and conifers which contain tree species reaching timber-size (90 cm. girth). The document will serve as a reference for the identification of tree species when developing forest projects, specially in the field of timber exploitation, forest and biodiversity conservation and forest by-products exploitation development. The survey of the existing information in the country and outside the country and the collection of information and data from the field will help to achieve the objective.

Appraisal by the Panel of Experts

The Panel found the Project well designed and relevant to some ITTO objectives, but questioned its contribution to Year 2000 target. However several members stressed the essential importance of the information for both sustainable forest management and conservation objectives. The need to assist accurate recognition by all forest workers, from scientists to loggers, of the principal tree species at various stages of their development was mentioned. The Panel felt that the project might more appropriately be financed by another Donor Agency. It was noted that FRIM had already approached ODA in this connection. ITTO should support the initiative already taken to approach ODA, and might consider a possible contribution for some specific relevant items of the Project, if needed.

Recommendations by the Panel of Experts

1. The data base to be compiled in the favour of the project should be broad so as to give enough information on the species, their auto and synecology and silvicultural characteristics. In this sense the Panel thought that a professional forester should be included in the project team.
2. Although the project budget seems realistic, the authors might consider the possibility of reducing its cost and looking for practical options such as the production of a timber species field identification manual. The Panel thought also that this option could be realized within two or three years, which would

be more acceptable than the project duration proposed (10 years).

3. Proper consideration should be given to the coordination of the work with related actions in neighbouring countries, notably the similar undertaking contemplated in Indonesia and the on-going preparation of the Flora of Brunei.
4. Training of taxonomists is very important and should be given appropriate attention. The possible training and use of "parataxonomists" recruited from the local populations was suggested both to speed up progress and to develop local knowledge and interest in the forests.

Conclusions

The Panel concluded that further consideration of the proposal would best be deferred until the nature of the possible ODA assistance to the project had been clarified.

While the Committee was not presented with a revised Project Proposal, the Malaysian Delegation advised that the Project was being revised and that it would be revised for the consideration of the next Session.

12. PD 187/91 (F) "Cumala" Plantations in the Loreto and Ucayali Regions

The reforestation programmes in the Peruvian Amazon over the past four years (1986-1989) have not been very successful, and is totally inadequate vis a vis the unbridled destruction of the Amazon forest due to shifting agriculture and unsustainable forest exploitation systems. The objective of the project is to aid the national reforestation programmes and to provide scientific and technical guidelines for the development of more ambitious reforestation programmes in the future, through a research programme based on pilot scale plantation development with "Cumala" species. Activities include:

- plantation, maintenance and management of 1,400 ha of "Cumala",
- enrichment planting and natural regeneration development in natural forests with sufficient density of "Cumala" saplings,
- forestry training and extension with the involvement of local communities,
- applied forestry research on "Cumala" silviculture at "Cumala" natural forest management.

This project was submitted to the Seventh Session of the Permanent Committee on Reforestation and Forest Management under the code PD 96/90 (F). the Committee noted that the objectives of the Project were good but that the Project Document needed to be more detailed. Specifically, they noted that detailed plans specifying inputs, outputs, activities and budget requirements per six month period of the project's life need to be prepared before the project becomes operational (though this was minuted as six year period!!). Further, they noted that a budget of \$15,000 for ITTO monitoring, review and evaluation needed to be made.

The revised project document does provide additional information beyond that presented in the Committee as PD 96/90 (F). On the top of page 2, an additional sentence stating that little is known about the

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silviculture of "Cumala" species, though this is inconsistent to some extent with the short note on the silviculture of the species presented as Section 4 in the PD 96/90 (F) document but not included in the revised 187/90 (F) document. Additional information on the botanical identity of "Cumala" is also given on page 2.

Section 2.5.2 provides a new section heading though most of its content was included in the previous document. Section 3 is a completely new addition and it is a clear response to the Committee's previous comments though no additional budget allocation is made for these purposes. More detailed plans on specific inputs, outputs, activities and budget requirements per six month period of the project have not been provided.

Appraisal by the Panel of Experts

The Panel noted that the project was a reformulation of the previously submitted Project Proposal PD 96/90 (F). Furthermore, while the Panel still considered that the Projects objectives were relevant to the objective and priorities of ITTO, it felt that the revised Project Document still lacked many details that were necessary for either the Panel or the Committee to adequately appraise the Proposal.

Recommendations by the Panel of Experts

The Panel recommended that the Proposal be further amended giving much greater details to the technical feasibility of the Project by:

1. Providing information on why the previous "Cumula" plantings had failed and how the proposed project would specifically address these factors to ensure a reasonable probability of success with the proposed plantings.
2. Outlining the specific mechanisms that would be used to secure the participation of local people including detailed budgetary allocations for all elements of such programmes including incentive payments.
3. Modifying the project title to better reflect the balance between plantation establishment and natural regeneration activities in the proposal.
4. Clarifying which particular species will be planted in the various activities of the project giving particular emphasis to their ecological and silvicultural requirements and yield potential.
5. Providing clarification on the land tenure of the Project site and the tenure to trees produced by the Project together with an outline of the proposed methods of distributing the benefits from any forest products that are produced.
6. Providing an outline of the Institutional framework for the project including a outline of how the project will make specific use of the ITTO Guidelines for the sustainable management of both natural and planted tropical forest; how the project relates to the Peruvian National Forestry Action Plan; and how specifically the Project will integrate its activities with that of the private sector.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval.

While the Committee was not presented with a revised Project Proposal, the Peruvian Delegation advised that the Project was being revised and that it would be revised for the consideration of the next Session.

13. PD 188/91 (F) Reforestation of Rioja

It is reported that approximately 200,000 ha of forest are being lost annually in the Peruvian Amazon as a result of intense agricultural development pressure and unsustainable forest exploitation systems. This deforestation is not compensated by effective reforestation programmes in disturbed forests. This is in particular the case of the Province of Rioja where almost nothing has been done regarding reforestation.

The objective of the project is to establish the first reforestation guidelines for this area. In this purpose the following main activities will be carried out in cooperation with NFAP, CDR-RIOJA, the Municipality of the Province of Rioja and the Ministry of Agriculture:

- Selection of native species and production of high quality planting stock,
- Establishment, maintenance and management of 200 ha of plantation,
- Enrichment planting and natural regeneration improvement in natural forests,
- Watersheds and forest protection,
- Forestry training and extension,
- Applied forestry research programme development.

Appraisal by the Panel of Experts

The Project is relevant to ITTO objectives and priorities and has many similarities with Project PD 187/91 (F). Many of the comments made on PD 187/91 are also applicable to PD 188/91 (F). In particular, more technical details are still required before the project could be commended to the Committee.

Recommendations by the Panel of Experts

The Panel recommended that the Proposal be revised giving much greater details on the technical feasibility of the Project by:

1. Clarifying the specific objectives of the project in relation to the 200 ha of proposed plantings. It needs to be made clear whether these plantings are purely for research or whether they form a demonstration component of a much larger on-going planting programme. If the latter is the case, the linkages between the project and this wider programme need to be specifically defined.
2. Outlining the specific mechanisms that would be used to secure the participation of local people including detailed budgetary

allocations for all elements of such programmes including incentive payments.

3. Clarifying which particular species will be planted in the various activities of the project giving particular emphasis to their ecological and silvicultural requirements and yield potential.
4. Providing more background on the plantation sites including their location, condition, proposed planting density and proposed protection measures for cattle damage, fire and other potentially injurious agents.
5. Providing clarification on the land tenure of the Project site and the rights to trees produced by the Project together with an outline of the proposed methods of distributing the benefits from any forest products that are produced.
6. Providing an outline of the Institutional framework for the project including a outline of how the project will make specific use of the ITTO Guidelines for the sustainable management of planted tropical forests; how the project relates to the Peruvian National Forestry Action Plan; and how specifically the Project will integrate its activities with those of the private sector.
7. Providing an increased budgetary allocation for ITTO monitoring and evaluation of the Project.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval.

The Committee considered that many of the comments of the Panel of experts had been answered in the revised Project Proposal and therefore recommended that the project be approved and that US \$ 215,000 be allocated for implementation. However, the Committee felt that no funds should be released until the Secretariat had received a detailed workplan that included details of the mechanisms that would be used to secure the participation of local communities.

14. PD 189/91 (F) Publication of an Andean Forestry Journal

Given their uniformity in geographical, cultural, ecological, historical and social aspects, the Andean countries (Peru, Bolivia, Ecuador, Venezuela, Chile, Colombia and Argentina) which are facing a rapid deforestation of their natural forest resources, there is a need to exchange ideas, experiences and information in order to tackle this common issue. The objective of the project is to contribute to the development of coordinating mechanisms aimed at achieving an integrated and sustained development in the region through enhanced communication between forestry professionals.

The existence of effective communication media plays a key role in this coordination and integration process. The actual proposal aims at

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obtaining initial financial support for the regular publication of an Andean Forestry Journal as the main activity. Secondary objectives include sponsoring meetings and campaigns related to forestry and forest development, as the supplementary activity.

It is worthwhile to recall that the Project Idea on the publication of an Andean Forestry Journal was submitted during the 10th Session of ITTC in Quito, Ecuador, and supported by the Permanent Committee on Reforestation and Forest Management.

Appraisal by the Panel of Experts

It was noted that the Project Idea on the publication of an Andean Forestry Journal had already been found relevant to ITTO objectives and Plan of Action by the Permanent Committee on Reforestation and Forest Management during its Seventh Session. One copy of the Journal was circulated among the Members of the Panel, who expressed their satisfaction with its professional design and content. On the technical aspects of the project, the Panel made the following comments and recommendations:

1. The viability of the Journal will depend on the setting and the maintenance of high standards in both content and presentation.
2. A survey of potential users would be advisable to guide the orientation of the Journal, the contents, the data base etc. to attract subscriptions.
3. Potential contributors should be identified and the possibility to make available regular slots for some international organizations such as ITTO, FAO, etc. should be considered.
4. The future budget of the Journal, as well as self financing prospects need to be realistically assessed.
5. In order to avoid any interruption in the publication of the Journal at the end of the project, income generation should start from the beginning of the project.

Recommendations by the Panel of Experts

Display copies of the Journal should be made available to the Committees and Council at the next Session when this project will be submitted for approval.

Conclusions

While drawing attention to the above comments, the Panel concluded that the proposal was technically sound and should be commended to the Committee for final appraisal and approval.

The Committee received a detailed response to the recommendations of the panel of Experts and recommended to Council that the project be approved and that US \$118,000 be allocated for its implementation.

15. PD 190/91 (F) Valuation of the Biodiversity of Tropical Forests for their Sustainable Use
Phase I : General Studies
Phase II: Basic Research and Economic Survey

The Amazon tropical forest is considered priceless considering its social, economic and ecological roles. To consolidate this importance, the appropriate management of this forest must be based on the sustainable use of the resources concerned. However, such appropriate management is possible only if relevant information, as a result of a meaningful research on various resources concerned, is available. As far as non-timber products of this forest is concerned, there is currently very little information.

The objective of the whole proposal is, in the first phase which constitutes the actual project, to identify and analyze potential secondary resources not currently valued, in particular Flora and wildlife products (non-timber products). The second phase is concerned with the valuation of these resources and the evaluation of the investment potential related to the development of the promising resources.

The activities of the project comprise a comprehensive literature review on the subject and a study on the potential use of secondary products with the organization of a specialized forum on this issue.

Appraisal by the Panel of Experts

The Panel considered that the objectives of the proposed Project were relevant to the objectives and priorities of the ITTO in that the proposal had considerable potential to provide a well-founded and balanced assessment of the possible contribution of non-timber forest products to the sustainable management of the forest. However, the Panel also considered that the Project Proposal needed to provide considerable additional information before it could be given an appropriate technical evaluation for the Committee.

The Panel felt that the use of the term "Biodiversity" in the current project title did not accurately reflect the content of the Proposal and that the use of the term "Non-Timber Forest Products" would have been more appropriate. In addition, the Panel felt that with the current level of development of the Proposal, there was considerable merit in phasing the project and allowing for a Pre-Project which could undertake an extensive review of the considerable amount of research that has now been done on the question of non-timber forest products. The purpose of this review would be to minimize any possible duplication of effort and to guide the development of an appropriate research design for the Project itself.

Recommendation by the Panel of Experts

The Proposal should be reformulated to meet the above concerns by:

1. Breaking the current proposal into (a) an initial 1-year Pre-Project to review past experience with non-timber forest products and develop a research methodology for the longer term research project, and (b) a subsequent Proposal for the longer term research Proposal to be developed from the findings of the Pre-Project.

2. Providing details of all methodologies to be used in either the Pre-Project or the Project Proposal when they are presented.
3. Providing specific terms of reference for all personnel to be used on either the Pre-Project or the Project in terms of qualification, experience and duties.
4. Ensuring consistency in all aspects of the Pre-Project and Project Proposals, eg, there are some inconsistencies in the current Proposal in terms of the budget presentation on the cover and in the text and with regard to the implementing agency defined on the cover and in the text.

Conclusions

The Panel concluded that a complete reformulation of the Proposal would be essential to achieve the stated objectives and that such a reformulation was also essential before the Project could be commended to the Committee for proper appraisal.

The Committee was advised by the Peruvian Delegation that the project was being revised for consideration at the next Session.

16. PD 191/91 (F) Reforestation of Deforested Plots along the Federico Basadre Road (Ucayali Region)

The Department of Ucayali is facing a continuing and alarming destruction of forest areas as a result of agriculture development pressure. This trend is particularly critical along the Federico Basadre Road and has led to the loss of soil and fertility.

The objective of the project is to rehabilitate these deforested lands with fast growing native and exotic plantation species so as to improve the ecological system and the living standards of the settlers. 20 plots will be established along the road for this purpose and will serve as demonstration plots for future developments in similar areas in the country. To achieve this objective many activities will be carried out during the project:

- selection of species and production of high quality planting stock,
- establishment of 800 ha of forest plantation distributed in 20 plots
- enrichment planting
- forestry extension work with local farmers.

Appraisal by the Panel of Experts

The Panel considered that the objective of Reforestation of degraded land was laudable and that it might well fit in with ITTO objectives and priorities. However, on the basis of the information provided in the project proposal, it was difficult for the panel to assess the project's relevance to these objectives and priorities, as little information was provided on the background to the project, the land use context in which it was set, its relation to the National Forestry Action Plan for Peru and other projects, including the Proposal for PD 194/91 (F) which is focused on the same area. Many aspects of its detailed methodology and costing were also inadequately described. Specific concerns included:

1. The general nature of the project - The title and objectives for the project imply a broad scale proposal. However, the activities and the time-frame suggest that only a demonstration project is envisaged. No specific measures are outlined to indicate how a pilot scale demonstration will be linked to wider field practice.
2. The lack of general information on the land use context - In this regard, the Panel commented that it is difficult to know whether reforestation is either justified or viable without being able to place the proposal in the context of a social or land-use plan.
3. The panel understood that much of the land in question was occupied by many thousands of small scale farmers and was concerned that it was not clear from the project document whether or not provision had been made in the project for the involvement of local people. Details of the specific mechanisms that are proposed to secure the involvement of local people in the project are necessary in order to be able to adequately evaluate the Project Proposal.
4. Apparent inconsistencies in details of the proposal viz, a total seedling production of 1,800,000 for 400 ha of plantation and 400 ha of enrichment planting. As this involves an average stocking of some 2,500 seedlings per ha, this does not seem to match the planting targets suggested. Also the project time scale for Phase 1 is stated as 24 months but the project description states the objective of establishing 800 ha at a rate of 200 ha/year implying a four year project.
5. The lack of a detailed work plan and time-frame for the project and the lack of a detailed budget justification related to outputs. It was also felt that terms of reference for the various staff and consultancy positions should have been given.

Recommendations by the Panel of Experts

That the project be reformulated giving attention to the above issues. Such a reformulation should give particular attention to placing the project in a wider forest management and land use planning context and should make specific reference to the ITTO Guidelines on the Establishment and Sustainable Management of Planted Forests.

Conclusion

The Panel concluded that complete reformulation of the proposal would be essential to achieve the stated objectives, before it could be commended to the Committee for proper appraisal.

The Delegation from Peru advised that the project proposal had been withdrawn as some of its elements were incorporated with the reformulated project proposal PD 194/91 Rev.1.

17. PD 192/91 (F) Hevea Brasiliensis Reforestation and Improved Transformation in Madre de Dios

The latex industry in Peru imports 99% of raw materials, whilst the national jeve production covers only the remaining 1%. The Mariategui Region, where many wild rubber trees scattered in the whole area are exploited by 400 "shiringueros", meets the ecological conditions to become an intensive latex production area, through the implementation of highly productive reforestation programmes, using clones resistant to pests and diseases.

This strategy will raise the contribution of local production for the national industry supply needs, secure the revenue of the "shiringueros" and contribute to the retention and sustained and integrated utilization of the national forest.

To achieve this objective the project will establish a nursery and a clonal garden and establish 20 ha of plantation per year for seven years.

It is clear that the project will contribute to stabilize the latex production of the Mariategui region and loosen the pressure on the natural forest where wild rubber trees are actually exploited for latex. As these rubber trees are considered in the project for their ability of producing latex, and not for tropical wood, the relation of the project to tropical wood production, utilization and trade has still to be clarified.

Appraisal by the Panel of Experts

The Panel expressed concern that the proposal would be highly unstable ecologically, given the past experiences with disease with Hevea plantations in the zone of its natural occurrence. In expressing this concern, the Panel noted that while mention was made in the Project Proposal about the use of "clones resistant to pests and diseases", no evidence for the existence or successful operational use of such clones was presented. The Panel also expressed concern that the proposal contained no provision for either an environmental impact assessment or a social impact assessment and that no reference was made to the ITTO Guidelines on Sustainable Management of either natural or planted forests.

Because of the Project Proposal's focus on the production of latex rather than the sustainable production of tropical timber, the Panel questioned the relevance of the proposal to ITTO unless it could be clearly demonstrated that the proposal was part of an integrated land-use package designed to promote forest conservation and sustainable management.

Recommendations by the Panel of Experts

That the Government of Peru review the applicability of the Proposal in relation to the Charter of ITTO, the ITTO Action Plan and Target 2000 and redraft any revision of the Project Proposal to:

1. Provide referenced scientific support for the availability of proven disease-resistant and productive clones of H. rasiliensis for use in the project.
2. Define the land-use context of the proposal in the light of the principles of both the ITTO Guidelines on the Sustainable Management of Natural Tropical Forests and the ITTO Guidelines

on the Establishment and Sustainable Management of Planted Tropical Forests.

3. Provide for both an environmental and social impact assessment for the proposal, giving particular attention to the impact of the proposal on the biodiversity values of the forest.
4. Explicitly define the link between the project and the conservation and sustainable management of the forest for timber and other forest benefits.

Conclusion

The Panel concluded that provision of the information requested above, and related reformulation of the project proposal would be essential before the project could be recommended to the Committee for proper appraisal.

The Delegation from Peru advised that the project proposal had been was being reformulated for presentation at the next Council Session.

8. PD 194/91 (F) Recuperation and Demonstration Management of Secondary Forests in the Peruvian Amazon

It is estimated that 300,000 ha are annually deforested in Peru due to agriculture development pressure. In deforested area which have lost their fertility, secondary forests of diverse types and compositions often develop as a result of natural regeneration process.

It has been estimated that the secondary forests achieve a productivity of 10-20 m³/ha/yr of fast-growing low-density species, compared to 5 m³/ha per year in primary forests. In addition the introduction of new species into the market has proved to be reasonably successful.

The objective of the project is to develop, implement and extend a model of management for these secondary forests, and to promote the industrial utilization of their low-density species. In the first phase of the project, activities such as gathering existing information, aerophotographic surveying and mapping of the forests, testing the possible utilization of the species for wood industry and working out a model management plan for 1000 ha secondary forest trial plot, will be carried out. This phase will be followed by a development phase with such activities as the implementation and monitoring of the model management plan and other similar plans in various productive units.

Appraisal by the Panel of Experts

The Panel noted that this project had considerable potential merit and that it was focused on the same broad geographic area as PD 191/91 (F). However, the Panel was somewhat confused by the presentation of the proposal and felt that it needed considerable clarification and additional information before it could be realistically considered by the Committee. Specific concerns included:

1. The relation of the project to other forest management projects, the National Forestry Action Plan for Peru and any other

proposal for integrated rural development in the Federico Basarde Road area.

2. The lack of specific details of how the pilot scale project would be linked to operational scale development for the area.
3. Uncertainty about the land tenure in the area and how the project could be made viable to individual small landholders who would presumably have to wait a considerable amount of time before receiving benefits from reforestation/regeneration of the areas.
4. Particular confusion was experienced by the panel about the meaning of the national budget line item entitled "Forest Cover Evaluation". Clarification of what this item is and how it specifically relates to the project is therefore needed. It was, for instance, suggested that this was a stumpage royalty that the Government of Peru would forgo. However, how this would be a saving to the project rather than say the timber purchaser was not clear.

Recommendations by the Panel of Experts

It is recommended that the Proposal be reformulated giving attention to the above by:

1. Clarifying how the project relates to the ITTO Guidelines on Sustainable Management of Natural Tropical Forests and how these Guidelines will be used in the planning and execution of the project.
2. Redrafting the first planning phase of the project so that it covers the whole region of degraded secondary forest along the Federico Basadre Road, rather than just a plan for a 1,000 ha demonstration area. It should also define the linkages between the demonstration trials in Phase II and the eventual management of the whole area, thereby demonstrating a significant contribution in terms of achieving target 2000.
3. Outlining the specific mechanisms for securing the participation of local farmers in the project and explaining how the income from harvesting operations would be both distributed to these farmers and used to sustain forest management activities after harvesting.
4. Providing more details about the specific site that will be used for the demonstration trials together with additional details on the area's social and ecological background. Specific details are also needed on how the various small landholders' actions will be co-ordinated in relation to specific market sectors through mechanisms such as co-operatives etc.
5. Providing a detailed budget justification for various line items and the terms of reference for the various staff and consultants that will be used on the Project.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval.

The Committee considered that the revised project met most of the comments raised by the Panel of Experts and recommended to the Council that the project be approved and US \$489,000 and US \$ 939,500 be allocated for implementation of Phase I and Phase II respectively. However, the Committee felt that no funds should be released until the Secretariat had received a detailed workplan that fully met its requirements.

19. PD 197/91 (F) Production, Management and Regeneration of Lesser-Used Tropical Tree Species in Philippine Forests

Most of the wood industries in the Philippines are based on the exploitation of dipterocarp forests. These forests have been overlogged in the past leading almost to the total depletion of these forests. Although the Government of the Philippines is promoting sustainable management systems for these forests, it is clear that they will no more be able to meet the need of the national wood industries. Thus, additional supply sources are needed to sustain these industries which contribute to a great extent to the national economy. Relevant research data available show that lesser used species (LUS) can constitute suitable substitutes for species traditionally used by wood industries.

The aim of the project is to gather basic information about these LUS species and to develop propagation, plantation establishment, management, harvesting and regeneration methods and models.

Appraisal by the Panel of Experts

The Panel felt that the outlined Proposal was potentially a very useful project relevant to both ITTO objectives and priorities. However, the Panel found that there was considerable ambiguity and inconsistency in the drafting of the text eg, the objectives talked about plantation establishment while many of the activities related to natural forest regeneration and management.

The Panel furthermore found that project outputs and activities were not described in detail and that the outputs in particular were not expressed in measurable criteria capable of evaluation. In addition, the Panel felt that, in both formulation and justification, the Proposal should have made explicit reference to both the various ITTO Guidelines on Sustainable Tropical Forest management, and the ITTO Pre-Project Report on "Appropriate Supply of Raw Wood Materials in Producing Countries with Dwindling Forest resources: The Case of the Philippines". This Pre-Project was foreshadowed as an essential input into the current Project Proposal when it was approved by the Sixth Session of the ITTC in May 1991.

Recommendations by the Panel of Experts

The Panel recommended that the Proposal be reformulated to address the above concerns for both the overall Proposal, and the individual studies within the Proposal. In particular, attention should be given to:

1. Clarifying the extent to which the Proposal will focus on plantation development vis-a-vis natural forest management, and how emphases on these different aspects can be harmonized in operational terms.
2. Providing a detailed outline of regional master plans for sustainable forest management for the various study sites, indicating how the proposed studies fit into these plans and how the plans relate to the various ITTO Guidelines on Sustainable Tropical Forest Management.
3. Providing a detailed outline of how the results of each study will be evaluated and applied to forest management.
4. Prioritizing research topics so that a more easily managed number of research activities can be phased and reviewed before extension to other topics or species evaluations.
5. Outlining the detailed economic, ecological, silvicultural and social criteria for selecting species for all trials. These outlines should include a detailed justification for the use of Lesser Known Species rather than species with proven market acceptability in any capital intensive plantation or enrichment planting developments.
6. Providing a detailed, appropriately referenced research plan for each study outlining clear objectives and measurable outcomes and referenced methodologies for site selection, site preparation and detailed experimental design.
7. Providing more detailed budget estimates for all key line items including terms of reference for all local and international staff appointments or consultancies, and detailed objectives and costings for all equipment purchases, training scholarships, study tours and workshops.
8. Providing specific details of any private sector support.
9. Providing a detailed plan and an appropriate budget for the dissemination of the results of all studies and Project activities.

Conclusions

The Panel concluded that a complete reformulation of the Proposal would be essential to achieve the stated objectives and that such a reformulation was also essential before the Project could be commended to the Committee for proper appraisal.

The Delegation from the Philippines advised the Committee that this Project Proposal was being revised for consideration at the next Council Session.

20. PD 199/91 (F) Clonal Development of Dipterocarp Species

Dipterocarp forests are recognized as being the most stable tropical forest ecosystems and their exploitation for industrial purposes has contributed to the national economy of the Philippines. However, these

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forests have been overexploited for many years with a peak of over 300,000 ha per year reported as being destroyed in the late 1960's. The remaining dipterocarp forests now actually accounts for only 4.4 million ha, of which second-growth forest covers some 3.4 million ha.

The Government of the Philippines feels that protection of the remaining virgin forest is an urgent need as is the need to bring the second-growth forest to a sustainable productive condition through workable management strategies. Re-stocking logged dipterocarp stands is one of these strategies, but the problem of making enough planting stock available has firstly to be solved, since the fruiting of dipterocarp trees is very uncertain and occur only every 5-7 years.

The objective of the proposed project is to replace to the unreliable propagation from seeds with vegetative means of propagation through coppicing and tissue culture. The project aims to both developing and disseminating the necessary technology for this purpose.

The whole project has three major integrated components/phases:

- I. Research phase
 - . determination of the coppicing capabilities of dipterocarp species
 - . development of macrocloning techniques
 - . development of tissue culture methods
- II. Development phase
 - . establishment and maintenance of multiplication areas
 - . Pilot tests of cloned/tissue culture planting stock
- III. Technology dissemination

Appraisal by the Panel of Experts

The Panel recognized the significance of research into vegetative propagation of Dipterocarp species, in view of the well-known problems of seed availability and viability and thought that the project objectives were highly relevant to the ITTO Action Plan. It also commended the degree of detail that had been provided. However it considered that the Project, which envisions research activities, demonstration models development and dissemination of research information and technology was too long term to contribute to achieving ITTO Year 2000 target. The Panel also commended the provision of a detailed list of references to relevant work, but pointed out that many of the studies had indicated the difficulties encountered in this field. It suggested that there is a need to take more explicit account of the recent and ongoing research in neighboring countries, especially Indonesia, Malaysia and Thailand before embarking on such a long term programme. Earlier work on developing strategies for vegetative propagation of tropical trees, e.g. in West Africa was also thought to be relevant to developing a practical strategy for the programme, but had apparently not been taken into account either in the design of the proposal or in the list of references consulted.

The Panel was also concerned about some detailed elements of the proposed project, viz:

1. The need to select and prioritize research on one or two species, with progressive inclusion of others in the light of progress made.

2. The need to consider research on seedling material as well as coppice regrowth.
3. The duration of 10 years would be better divided into shorter phases, to allow for modification in the light of progress, and to seek opportunities for earlier application of research results to development programme.
4. The proposed ITTO contribution to the project is not detailed as are the PICOP and the ERDB/ERDS ones.
5. It might be advisable to get other wood industry institutions involved in the Steering Committee proposed, in addition to PICOP.
6. In addition to the internal evaluation currently proposed, provision for external evaluation of the project by the ITTO Secretariat or its nominees should be made in both the activities programme and the project budget.
7. Study budgets should be consistent with study activities listed.
8. The project title should refer to "vegetative propagation" and not only specific clonal propagation.

Recommendation by the Panel of Experts

The Panel considered that the first stage should be a pre-project to gather the existing information and review on-going or complete research programmes on the same issue. This pre-project would provide the basis for a sound strategy to tackle the problem, the range of technological approaches to be used, the species to be given priority, etc., drawing on the existing detailed 10-year proposal as appropriate in the preparation of a phased project design.

Conclusion

The Panel concluded that substantial reformulation of the proposal would be essential, and that this could best be undertaken in the light of the findings of the proposed pre-project study. The Committee noted that following the suggestion of the Panel, the project had been reformulated into a Pre-Project PPD 47/91 (F).

21. PD 200/91 (F) Economics and Impact Assessment of Community Forestry Projects in the Philippines

At present, some 6-7 million people live in the upland forest zone in the Philippines. As a result, considerable forest degradation has occurred and past punitive efforts by forest authorities aimed at halting slash and burn agriculture have proven to be ineffective. As a result, the Philippines Department of the Environment and Natural Resources (DENR) launched an alternative community forestry programme in 1989 to address the problem of meeting human needs within a sustainable forest conservation and management framework. The proposed project forms part of this programme and has the overall object of clarifying the socio-economic issues surrounding the implementation of community forestry projects with a view to developing community forestry models and production and cost

standards for different community forestry projects. Its specific objectives include:

- * Documenting and assessing the different community forestry projects operating in the Philippines.
- * Investigating the production and cost standards in the implementation of major activities in community forestry projects in selected regions of the country.
- * Undertaking economic evaluations of community forestry projects.
- * Assessing the socio-economic, financial, environmental, institutional, political and biological impacts of community forestry projects.

Appraisal by the Panel of Experts

The panel considered that the project was potentially relevant to ITTO objectives and priorities. However, the Panel also thought that many aspects needed further explanation in order to allow a rigorous assessment of the proposal for the Committee and the Council. Specific concerns included:

1. The relationship between the individual studies and the overall programme administration which in itself had a budget of some US \$ 662,000 or more than 55% of the total project budget.
2. The absence of detailed terms of reference for the various staff or consultancy positions associated with the proposal. Most line items in the budget also needed further details and justification.
3. The absence of any detailed methodology with regard to the specific questions that the monitoring proposals would seek to answer.
4. The lack of information about the relationship of the current community forestry programme to previous social forestry programmes in the Philippines, and the absence of any mention of previous socio-economic investigations of these programmes and how the current study would build on these previous investigations. A particular concern of the panel here was the fact that, from the proposal itself, it had no way of knowing how many community forestry projects would be evaluated and whether any of these had existed from before the 1989 initiation of the DENR community forestry initiative. A number of members felt that it was too early to undertake any realistic evaluation of the projects from this relatively recent initiative.
5. The appropriateness of using a questionnaire approach to gathering cost data for cost-benefit analyses of programmes. It was felt that this had low reliability and could provide misleading results. A similar methodological worry was the apparent lack of any provision of base line studies to provide a basis for comparison of study results.
6. Particular comment was made about the importance of Study 2 which aimed to produce cost standards. It was felt that these

studies were of great operational importance as they would set standards for the future assessment of community contracts and payments. However, the Panel pointed out the need to check what had been done previously in this area and the other proposed studies in community forestry projects with USAID and other foreign assistance in the Philippines. It was understood that various cost models may have been produced for these projects in the past and that these might provide a useful basis for up-grading.

Recommendations by the Panel of Experts

That the project be revised giving attention to the above issues. In making this revision, the Government of the Philippines may like to consider whether or not the social aspects of Project Proposal PD 201/91 (F) might not be better incorporated in this particular project - see comment on Project 201/91 (F).

Conclusion

While recognizing the importance and relevance of the proposal to the development of community forestry programmes, drawing on earlier and current experience, the Panel concluded that substantial reformulation was needed, to take account of the issues raised above, and to allow possible incorporation of some aspects of PD 201/91 (F). This reformulation is necessary before the proposal could be commended to the Committee for proper appraisal.

The Delegation from the Philippines advised the Committee that this Project Proposal was being revised for consideration at the next Council Session.

22. PD 201/91 (F) Community-Based Forest Development

At present, some 6-7 million people live in the upland forest zone in the Philippines. As a result, considerable forest degradation has occurred and past punitive efforts by forest authorities aimed at halting slash and burn agriculture have proven to be ineffective. As a result, the Philippines Department of the Environment and Natural Resources (DENR) launched an alternative community forestry programme in 1989 to address the problem of meeting human needs within a sustainable forest conservation and management framework. The proposed project forms part of this programme and has the specific objectives of:

- * Developing and evaluating a community-based Timber Stand Improvement scheme for the country's logged-over forests.
- * Investigating the potential role of upland communities in community-based forest management programmes.
- * Formulating policy recommendations for effective community-based forest management.

Appraisal by the Panel of Experts

The panel considered that the project was potentially relevant to ITTO objectives and priorities. In particular, the proposed community based Timber Stand Improvement plans were thought to be particularly relevant to the core activity of ITTO of linking the conservation and

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sustainable management of forest resources. However, the Panel also thought that many aspects needed further explanation in order to allow a rigorous assessment of the proposal for the Committee and the Council. Specific concerns included:

1. The relationship between the social programmes in studies 2 and 3 of this project and whether these studies might not be better incorporated in PD 200/91(F). In particular, it was felt that Study 2 was related to aspects of objective 1 and study 4 of PD 200/91 while Study 3 was related with Study 5 of PD 200/91.
2. The lack of detailed methodology for the conduct of the study. The Panel was unsure how the study would be undertaken viz, would it be a series of demonstration plots to show communities what TSI options were available? How would the communities themselves be involved in the Project?
3. The absence of detailed terms of reference for the various staff or consultancy positions associated with the proposal. In particular, the need for the use of foreign consultants in this project was questioned as it was felt that most of the expertise would be available from nationals within the Philippines.
4. The Panel felt that most line items in the budget also needed further details and justification.
5. The Panel commented that it would be particularly necessary to ensure that the researchers for Study 2 either came from the tribal areas or that they had extensive experience working with those groups if any meaningful data were to be obtained. They also commented that the proposed study region may also need to be changed in the light of changes in community locations after the recent volcanic eruptions.

Recommendations by the Panel of Experts

That the project be revised giving attention to the above issues. In making this revision, the Government of the Philippines may like to consider whether the social aspects of the Project Proposal might not be better incorporated in PD 200/91 (F).

Conclusion

The Panel particularly commended the proposed action to develop community based Timber Stand Improvement plans and considered that this element should be the central component of the revised proposal. It concluded that substantial reformulation would be needed to achieve this, before the proposal could be commended to the Committee for proper appraisal. The Delegation from the Philippines advised the Committee that this Project Proposal was being revised for consideration at the next Council Session.

23. PD 202/91 (F) Sustainable Forest Management through Collaborative Efforts

Forest lands have played in the past an important role in the national economy of Thailand. In particular, agricultural output increase was associated with the clearance of more and more forests, since the

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villagers had not enough financial means to get fertilizers to improve existing agricultural lands. However the environmental damages due to this shifting cultivation has led to declining of agricultural yields, and therefore to the decrease of overall agricultural outputs.

The objective of the proposed project is to develop models of collaborative forestry systems, in cooperation with local population, NGOs and Government services. The models aim to improve sustainable forest production and agricultural output and raise the revenue of the local population.

Four trial sites comprising 50% of degraded forest and 50% of natural forest will be selected to develop the models. The models will be of two types. The first one concerns buffer zones around protected forest and the second one concerns the management of natural forests with a great emphasis on conservation.

Appraisal by the Panel of Experts

The Panel considered that this was an important, innovative project with high potential value because of the large number (8 million plus) of villagers living in close proximity to forest areas in Thailand. The close co-operation between Government and the NGO sector was also thought to offer particular possibilities for mobilizing resources for forest conservation and management in the context of Target 2000. However, the Panel thought that some additional clarification was required in a number of areas viz,

1. The provision of more information on background studies that set the context for the project. For example, Immediate objective (i) on page 2 of the proposal talks of designing " a program of combined protection and rehabilitation based on recent fieldwork and studies carried out in Thailand" while page 3 of the project proposal states that "Studies have concluded that ... social forestry can be an effective tool for managing forest resources...". The panel considered that more details of these background studies including complete referencing would have strengthened the proposal, by clarifying how the project would build on the earlier experience.
2. Clarification of the exact mechanism for achieving participation. Objective (II) involves the determination of "an optimum system of participation" but it is not clear how this will actually be achieved. In this regard, some panel members were concerned that the staff resources only requested foresters and commented that in the absence of social planning staff on the project, these foresters would need to be trained and experienced community forestry practitioners. Some clarification of the social planning, consultation mechanisms proposed for the project would also have strengthened the proposal. Some specific outline of how the involvement of women in particular would be promoted would also have been helpful.
3. The panel was unsure of the exact targets for rehabilitation. Costs were high for the suggested targets of four 80 ha rehabilitation sites though the developmental nature of the project and the heavy training and equipment components were recognized. It was assumed that the project would link these rehabilitation targets with the protection of a much larger area

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of natural forest through the development of the proposed buffer zones.

4. Clarification of the species selection criteria, product goals and the time frame for achieving benefits to participating communities would also have been helpful. The Panel also sought clarification as to whether the regeneration of degraded natural forest as well as the planting of fully cleared areas was envisaged.
5. Clarification of the linkage to agricultural development was also sought and some Panel members felt that the inclusion of an agriculturalist would be necessary to guarantee that the tree planting was successfully integrated with overall rural management in the target areas. Some panel members saw potential conflict between the supply of two tractors to be shared amongst the four geographical areas as they felt they could be required at much the same time.
6. Panel members also thought that some more explicit information on how the programme would be sustained and extended to other areas at the end of the project was necessary. In particular, the role of training in this process needed clarification and it was felt that the components the \$144,000 budget item for training should have been outlined in greater detail. Explicit provision for the dissemination of results should also have been included in the project.
7. The institutional arrangement for the project could also have been outlined in more detail. The mechanisms for co-ordination between government officials and participating NGO's needed to be presented and it would have been useful to have included an annex outlining the background and experience of participating NGO's.
8. The Panel also felt that some attention should have been given to possible monitoring and evaluation criteria in terms of e.g. the area of forests protected, the level of local participation achieved, reductions in the area of illegal encroachment in the target area and the products achieved. The Panel also felt that some benefits would take more than the three year project life to fully express themselves and that some provision for on-going monitoring may be necessary.

Recommendations by the Panel of Experts

The proposal be reviewed to address the above issues and provide additional information where appropriate.

Conclusion

While the above clarifications were considered desirable in the execution of the project the Panel concluded that the proposal should be commended to the Committee for final appraisal and approval.

The Committee considered that the revised project met all of the recommendations, and that the project should be approved with an allocation of US \$ 990,000 be allocated for its implementation, on condition that no

release of funds is made until the Secretariat has received a detailed workplan that meets all its normal requirements.

24. PD 203/91 (F) Study Relating to Forest Management in the Fazao-Sud Region

The Government of Togo is reformulating his objectives and strategies on forest resources management, within the framework of the Tropical Forest Action Plan (TFAP-TOGO) and the National Plan of Action for the Environment. The proposed project stands within this general framework and aims, in the first stage, at developing in cooperation with local people concerned, a Forest Management Model essentially aimed at achieving sustainable production of natural forests. The Model may then be used or adapted within the country or outside the country to draw up management plans for similar forest stands.

The actual proposal, which constitutes Phase I for two years of a long term multiphased project, essentially aims to refine the methodology to formulate management plans, identifying the locally relevant steps, preliminary studies and socio-economic data necessary to formulate such plans. For this purpose a trial area of 30,000 ha of natural forest stand will be selected as a sample to develop this local methodology.

Complete details on the composition, the density and the actual utilization of the natural forests concerned have not been included in the project proposal. However it can be assumed that the forest areas concerned will contribute to the satisfaction of the actual needs of the country in terms of industrial woods for local consumption and export.

Appraisal by the Panel of Experts

The Panel felt that the Project was relevant to ITTO objectives and priorities with its provision for involving local communities in forest development activities and linking forest conservation and wood utilization. However, the Panel also felt that clarification of many items was necessary before the project could be commended to the Committee for Appraisal.

Recommendations by the Panel of Experts

The Panel recommended that the Proposal should be revised giving attention to the following points of detail:

1. Describing how the Project relates to the TOGO TFAP and the activities of other international organizations operating in the country. In this outline, the application of the various ITTO Guidelines on the Sustainable Management of Tropical Forests should be demonstrated to clarify the Proposal's relevance to ITTO and Target 2000.
2. Describing the Institutional Framework within which the Project will operate. In this outline, an explanation should be given as to how forest utilization will be managed in a manner compatible with the current prohibition on tree harvesting from natural forests in Togo. It should also be explained how continuity of management will be achieved following completion of the project.

3. Describing the Specific mechanisms that will be used to involve the local population in the Project.
4. Ensuring consistency within the Project Document viz, the current Proposal specifies transport equipment purchases of \$192,000 on Page 8 and \$ 74,000 on Page 12.
5. Providing detailed costings and justifications for all key line items in the budget.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval. The Committee considered that the revised project met all of the recommendations, and that the project should be approved with an allocation of US \$ 981,743 be allocated for its implementation, on condition that no release of funds is made until the Secretariat has received a detailed workplan that meets all its normal requirements.

25. PD 204/91 (F) Identification and Study of a Plantation Project for the Production of Timber (2500 ha) in the Reserved Forest of Halo-Baloe (Plateau Region)

Togo has only 10% (560,000 ha) of his territory covered with natural forests capable of producing industrial wood. These forests, mainly situated in the south-west and centre-west of the country, cannot fulfil the Togo's needs for industrial wood, neither for local consumption nor for export, and are threatened by the agricultural development. Togo therefore feels the need to protect the existing forests, as well as to develop reforestation and forest extension programmes.

The project proposal aims at identifying a reforestation area of 2,500 ha within the Halo-Baloe protected forest, which covers some 4,000 ha in total. This reforestation area will be selected on the basis of preliminary socio-economic studies of the area, as well as a technical survey of the site. The project will provide advice on the best economic and financial solution to meet these reforestation objectives. Attention will also be given in developing proposals in consultation with local population groups.

The existing project proposal envisages ITTO directly appointing inter-nation staff to the position of Principal Technical Advisor. Because of the limited staff resources in the ITTO Secretariat, such appointments are normally made by the in-country implementing agency in consultation with the ITTO Secretariat rather than by the ITTO Secretariat itself.

Appraisal by the Panel of Experts

The objectives of this Project were thought to be laudable and potentially relevant to the objectives and priorities of ITTO. However the Panel felt that some clarification and additional information was necessary to enable a full appraisal, and were particularly concerned to ensure that the proposal did not involve the conversion of any remaining

natural vegetation in contravention of the ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests.

Recommendation by the Panel of Experts

The Panel recommended that the Project Proposal be revised by:

1. Providing a more detailed background statement specifically illustrating how the project is consistent with the ITTO Guidelines on the Establishment and Sustainable Management of Planted Tropical Forests, and how these Guidelines will be used in the design and execution of the Project.
2. Clarifying the exact scale of the Project and the condition of the existing vegetation. (NB, Many Panel members thought that the costs of the project were far too high if the Proposal was simply to locate a 2,500 ha plantation in a 4,000 ha forest reserve. The Panel felt that an integrated management plan for the whole reserve and its immediate surroundings should be one output of the Project. Such a plan should aim to harmonize plantation establishment with the conservation and sustainable management of any residual natural vegetation.)
3. Clarifying whether or not ODEF or some other national body will be the implementing agency. This clarification is required as it was stated on the cover sheet that ITTO would be the implementing agency, and the staff resources of the Secretariat do not allow it to become directly involved as the implementing agency for field projects.
4. Providing details of the specific mechanisms that will be used to secure the involvement of local people in both the development and subsequent implementation of the proposed management plan.
5. Outlining the steps that will be taken to assess the environmental impact of the plantation development programme and its social impact on local communities.
6. Providing details of the future ownership of the trees and the mechanisms that will be used to distribute benefits accruing from the project.
7. Providing details of the rationale for selecting the 2,500 ha planting target and for selecting Teak as the target species. An assessment of the appropriateness of the provenance of the existing Teak plantings for the subsequent programme should also be given in the revised proposal.
8. Providing more details of the growth and overall performance of the existing Teak plantings so that some judgement on the viability of the proposed plantation project can be made. This assessment should also indicate the potential markets that the project will seek to serve.
9. Clarifying what is meant in Section 4.3 by the term "identifying the potential of the forested areas". If any immediate harvesting of the vegetation is envisaged, an outline of the

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steps that will be taken to ensure sustainability should be given.

10. Providing and indication of how the proposed plantation management plan will be implemented at the end of the Project.

Conclusions

Subject to the incorporation of the above essential modifications, the Panel considered that the Proposal could be commended to the Committee for final appraisal and approval. The Committee considered that the revised project met all of the recommendations, and that the project should be approved with an allocation of US \$ 356,477 be allocated for its implementation, on condition that no release of funds is made until the Secretariat has received a detailed workplan that meets all its normal requirements.

26. PD 206/91 (F) Research on the Ecology of the Main Commercial Forest Species

Some priority activities in the field of reforestation and forest management are concerned with the TFAP of Zaire. The sound implementation of these activities need relevant data and information on the main economic species of Zaire. The project aims at reviewing the existing information in this domain and collecting such data in the Luki and Yangambi Biosphère Reserves.

Appraisal by the Panel of Experts

The Panel noted that the proposal was integrated in the strategy to implement the national Tropical Forest Action Plan programme in Zaire. The objective of the project is consistent with those of ITTO.

However the Panel felt that the very brief proposal provided only a profile of the project and did not contain enough information for a full evaluation of its merit on an equal footing with other projects under appraisal by the Panel.

Recommendation by the Panel of Experts

The Panel recommended that the project concept be further developed into an ITTO format full project proposal, for resubmission.

Conclusion

A full project proposal is needed before a proper technical appraisal can be made. As no further information had been received, the Committee could make no further evaluation of the proposal.

27. PD 207/91 (M,F,I) Training in Projects Formulation and Evaluation

The objective of the project is to improve national capability in planning, formulating and evaluating forest projects. In this purpose, the project will ensure in the first stage, within short periods of training the training of 4 forest engineers in the field of Projects Formulation and Evaluation.

Appraisal by the Panel of Experts

The Panel recognized the value of the project objectives and the consistency of proposed activities with the ITTO Action Plan. However, the Panel noted and recalled that ITTO, through approved project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation", has instituted appropriate and proper mechanisms to assist identification and formulation of projects both at regional and national levels.

Recommendations by the Panel of Experts

The Panel recommended that the mechanisms set up under project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation" be considered to further assist Zaire in the identification and preparation of projects if necessary.

Conclusion

The Panel concluded that the proposal submitted was no longer needed, since the assistance requested could be appropriately provided through PD 73/89. The Committee endorsed the Panel's observations.

28. PD 208/92 (F) National Centre of Forest Tree Seeds

The project aims at creating a network of Regional Forest Seeds Centers which will ensure the harvest and conservation of seeds and the dissemination of afforestation techniques. These centers aim to boost the reforestation extension programmes for fuel wood, as well as for reforestation programmes for industrial purposes. The project includes such activities as the selection of seeds stands, studies on genetic improvement, study on forest tree phenology, implementation of seeds yards and training of scientific and technical staff.

Appraisal by the Panel of Experts

The Panel considered that the development of a strategy and programme for the provision of forest tree seeds of appropriate quality and origin to meet the national needs for planting programmes was in principle commendable. However in view of the size of the country and the predominant importance of natural forest management more detailed analysis of the situation would be needed to determine whether a single national tree seed centre, or possibly more dispersed modes of action, would be appropriate. The Panel felt that the very brief profile of the project supplied was insufficient to allow for a full evaluation of the proposal on an equal footing with the others under appraisal.

Conclusion

A full project proposal is needed before a proper technical appraisal can be made. As no further information had been received, the Committee could make no further evaluation of the proposal.

29. PD 210/91 (F) Monitoring and Assessment of the Impact of the Forest Exploitations in the Central Basin

The objective of the project is to collect relevant data and information on the evolution of logged over forest ecosystems. This has

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considerable national importance, since Zaïre aims to increase timber production from 500,000 m³ to 1,200,000 m³/year by the year 2000. In addition, with concern about tropical forest exploitation growing in consuming countries, there are growing pressures for boycotts of tropical wood products. Insufficient relevant information in this domain is hindering an effective response to these moves.

The main activities of the project are:

- selection of trial sites,
- biological survey of such sites, before and after exploitation, and every 5 years,
- selection of control plots,
- periodical photography and cartography of the sites and the plots,
- developing management prescriptions for logged over forests.

Appraisal by the Panel of Experts

Improving logging practices and developing innovative models for logging and harvesting activities are relevant to ITTO's objectives and Plan of Action. However the Panel was uncertain over the goal of the Government of Zaïre in submitting this proposal, since its direct objective does not seem to be the sustainability of natural forest production, but the creation of a bank of objective data and information to respond to some international initiatives towards a proposed boycott of tropical timber. In this connection the Panel considered that the best way to tackle this problem would be to draw up and implement forest management plans prior to any timber felling and to use ITTO Guidelines, preferably developed into National Guidelines, in doing so.

The Panel also felt that the very brief project proposal provided only a profile of the project, and did not permit full appraisal of either the real objectives or the proposed methodology on an equal footing with others under consideration.

Conclusion

A full project proposal is needed before a proper technical appraisal can be made. As no further information had been received, the Committee could make no further evaluation of the proposal.

In addition to the above Project Proposals, two Pre-Project Proposals were also received and examined by the Panel of Experts. The Panels Assessment of these Pre-Project Proposals are presented below:

30. PPD 43/91 (F) Rehabilitation of degraded Forest Land in the Amazon - A Case Study in the Carajas Mineral Province.

Comments by the Expert of Panels

The Panel thought that this Pre-Project could be highly relevant to the Objectives of ITTO and that it offered the possibility of acting as a catalyst for bringing together a number of agencies and the private sector to undertake rehabilitation measures on a significant scale. As such, the project would have high relevance to target 2000, though some members felt that the rehabilitation of land degradation caused by relatively recent

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development programmes might rightfully be considered to be the responsibility of the development agencies and private sector companies who promoted the original developments. A number of methodological matters were discussed and some further clarification was sought in some of these areas. Specific concerns included:

1. Successful rehabilitation would depend on matching land capability with actual market potential and the needs and aspirations of the landholders/occupiers involved. The Panel therefore felt that, in addition to the current emphasis on land resource mapping, greater emphasis on the issues of market potential and social factors such as land tenure, resource security and the perceptions and interests of local people was needed in the proposal.
2. The Panel felt clarification of the existing resource data was needed. In this regard it was noted that mention was made of the use of various remote sensing data but no specific provision for access to such data was made in the budget. The accessibility of such data to the proposed study team should therefore be outlined.
3. The Panel also felt that the relationship of the proposed study to previous studies by CVRD and to proposals before the World Bank and the EEC should be outlined so that the Committee could be sure that no duplication of effort was involved. Provision for integrating the results of all previous studies into the study methodology, possibly by way of a local experts workshop at the beginning of the study, could be also be considered to gain maximum benefit from the study.
4. The Panel also considered that a clear explanation of the institutional mechanisms for the Pre-Project report to be translated into action needed to be included in the proposal. The Panel felt that there would be little utility in ITTO funding a purely desk study by a university and that the institutional linkages between FUNPAR, the various State Governments involved, the Government of Brazil and significant private or state industrial sector bodies such as CDVR should be outlined so that the probable follow-up action would be clear to the Committee.
5. The potential involvement of other donor and lending bodies was welcomed as the Panel thought that the eventual Project could well be beyond the capability of ITTO to fund on its own, if the Council were to consider continued ITTO support for such action. The Panel also felt that it could be useful to involve bodies with a potential interest in the project in a workshop/roundtable to review the results at the end of the Project, with a view to promoting the necessary support for large scale programmes.

Recommendations by the Panel of Experts

That the Pre-Project proposal be revised to take account of the above comments.

Conclusion

Subject to the inclusion of the essential information on the practical application of the results requested above the Panel considered

that the proposal could be commended to the Committee for final appraisal and approval. The Committee felt that the revised proposal had adequately met the issues raised by the panel and approved the pre-project with a budget of US \$ 218,000 for its implementation with the release of funds being conditional on the Secretariat receiving a detailed workplan for the project.

31. PPD 44/91 (F) Review of the national Forest Situation so as to Establish a national Policy for this Sector in Colombia

Comments by the Panel of Experts

The Panel noted that Colombia had recently completed a major sector review in the context of the TFAP. While that action preceded the adoption of the Year 2000 Target, and might therefore need some supplementary action, the Panel considered that more explanation of the relationship between the proposal and the National Plan prepared under the TFAP was called for. Such a relationship might centre on the preparation of National Guidelines for sustainable management, in accordance with the ITTO guidelines, and on their implementation in the context of Target 2000. The Panel also felt that more specific details on the proposed methodology and how the budget would be spent should have been provided in the Pre-Project Proposal.

Recommendations by the Panel of Experts

That the Pre-project Proposal be revised to explicitly outline its relationship to the recently completed TFAP and how it would use ITTO Guidelines to develop and apply National Policies to achieve forest conservation and sustainable management in the context of Target 2000. Attention to details of methodology and budgetary allocation should also be provided in the revision.

Conclusion

Subject to the essential revision of the objectives and methodology to take account of the above recommendations that Panel concluded that the proposal could be commended to the Committee for final appraisal and approval. The Committee felt that the revised proposal had adequately met the issues raised by the panel and approved the pre-project with a budget of US \$ 100,000 for its implementation with the release of funds being conditional on the Secretariat receiving a detailed workplan for the project

32. PPD 47/91 (F) Survey of Progress on Technology Generation regarding Dipterocarps Vegetative Propagation

The Committee noted that this Pre-project was submitted in response to the Panel comments on 199/91 (F) and subject to reductions in the travel, communications and office supplies budgets to US\$60,000, US\$20,000 and US\$10,000 respectively approved the Pre-Project and recommended an allocation of US\$200,500 for its implementation. However, the Committee felt that no funds should be released until the secretariat had received a detailed workplan that met its requirements.

TECHNICAL EVALUATION OF PROJECT PROPOSALS
IN THE FIELD OF REFORESTATION AND FOREST MANAGEMENT

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art. 23 Para. 6	BUDGET ITTO Contrib. (US\$)	DURATION Years	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art. 23 Para. 2	Art. 23 Para. 5					
81/90 Rev.1	c,e,f,g and h	R & D	a,b,c,d and e	a,b,c,d and e	2,290,000	5	Bolivia	2
120/92 Rev.2	c,e,f and h	R & D	a,b,c,d and h	a,b,c,d and h	1,652,380	3	Malaysia	2
170/91 Rev.1	c,f and h	R & D	a,b,c and e	a,b,d and e	298,000	1	Egypt	4
171/91 Rev.1	c,f and h	R & D	a,b,c and e	a,b,c,d and e	2,125,700	3	Colombia	4
172/91 Rev.1	c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	1,065,250	3	Colombia	4
174/91	c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	not stated	-	Côte d'Ivoire	2
175/91	c,e,f,g and h	R & D	a,b,c,d and e	a,b,c,d and e	4,567,500	5	Bolivia	2
176/91 Rev.1	c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	714,670	3	Ecuador	4
184/91 Rev.1	c,f and h	R & D	a,b,c and e	a,b,d and e	495,000	2	Egypt	4
185/91 Rev.1	c,f and h	R & D	b,c,d and e	a,b,c,d and e	3,468,623	10	Malaysia	4
186/91	c and h	Publication	a,b and e	a,b,c,d and e	3,280,500	10	Malaysia	2

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY Art. 23 Para. 2	Art. 23 Para. 5	CRITERIA Art. 23 Para. 6	BUDGET ITTO Contrib. (US\$)	DURATION Years	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
187/91	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	500,000	2	Peru	2
188/91 Rev.1	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	215,000	2	Peru	4
189/91 Rev.1	a, c, e, f and h	Publication	a, b, c, d and e	a, b, c, d and e	118,000	1.5	Andean countries	4
190/91	c, f and h	R & D	b, c and e	a, b, c, d and e	122,000 (Phase I)	1	Amazon area	2
191/91	c, f and h	R & D	b, c and e	a, b, c, d and e	193,000	-	Peru	2
192/91	f	R & D	b and e	b, d and e	266,000	-	Peru	2
194/91 Rev.1	b, c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	(I) 489,000 (II) 939,500	4	Peruvian Amazon	4
197/91	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	771,181	5	Philippines	2
199/91	c, f and h	R & D	b, c, d and e	a, b, c, d and e	3,440,982	10	Philippines	2
200/91	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	1,157,766.60	3	Philippines	2
201/91	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	613,313	5	Philippines	2
202/91 Rev.1	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	990,000	3	Thailand	4
203/91 Rev.1	c, f and h	Study	b, c, d and e	a, b, c, d and e	981,743	2	Togo	4

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art. 23 Para. 6	BUDGET ITTO Contrib. (US\$)	DURATION Years	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art. 23 Para. 2	Art. 23 Para. 5					
204/91 Rev.1	c, f and h	R & D	a, b, c and e	a, b, c, d and e	356,477	1	Togo	4
206/91	c and h	R & D	a, b, c and e	a, b, c, d and e	500,000	5	Zaire	2
207/91	c and h	Training	a, b, c, d and e	a, b, c, d and e	not stated	-	Zaire	2
208/91	c, f and h	Network	a, b, c, d and e	a, b, c, d and e	350,000	5	Zaire	2
210/91	c, f and h	R & D	a, b, d and e	a, b, c, d and e	2,000,000	10	Zaire	2

Pre-Project

43/91 Rev.1		Rehabilitation			218,000	1	Amazon	4
44/91 Rev.1		Review			100,000	1	Colombia	4
47/91		R & D			200,500	1	Philippines	4

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

APPENDIX 2

Text of a Recommendation to Council re the Report
of the Working Group on the Development of
Guidelines for the Conservation of Biodiversity
in Tropical Production Forests

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4 December 1991

Original: ENGLISH

ELEVENTH SESSION
28 November - 4 December 1991
Yokohama

DRAFT

DECISION 8(XI)

ITTO GUIDELINES ON THE CONSERVATION OF BIOLOGICAL DIVERSITY IN TROPICAL PRODUCTION FORESTS

The International Tropical Timber Council,

Considering the working group on formulation of ITTO Guidelines on the conservation of biological diversity in tropical production forests,

Taking note of the Report of the Permanent Committee on Reforestation and Forest Management of its Ninth Session as contained in document PCF(IX)/.....,

Recognizing that the entire subject of biodiversity conservation is under consideration in the context of the preparations for UNCED 1992,

Recognizing further that decisions taken at or arising from the UNCED meeting might have implications for the further actions of international organizations in this field,

Considering the ITTO's responsibilities in regard to the Guidelines on Sustainable Management of Natural Tropical Forests require clearer guidance on the conservation of biodiversity as to integral component of the sustainable management of the forests,

Endorsing the recommendation that any guideline that might be developed as to conservation of biological diversity under the auspicious of ITTO should be designed for incorporation into the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests,

Request the Executive Director to submit to the Member countries the third draft of the guidelines for the conservation of biological diversity and request for their final comments to be submitted in order to have the benefit of these comments for the possible consideration of a final draft at the next session.

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Appendix 3

MEMORANDUM OF UNDERSTANDING
ON THE FUTURE MANAGEMENT
OF
PD 34/88 REV.1 (F,I)

Yokohama, 3 December, 1991
(4th revision)

CONSERVATION, MANAGEMENT, UTILIZATION, INTEGRAL AND SUSTAINED USE
OF THE FOREST OF THE CHIMANES REGION
OF THE DEPARTMENT OF EL BENI, BOLIVIA

Noting the comments of the independent review of the project presented to the Committee of reforestation and forest management in Quito in document PCF (VIII)/5, the Memorandum of Understanding and Terms of Reference for the Review Mission endorsed by the Committee at its Eighth Session in Quito and both the interim and full evaluation reports of the review mission presented to the Ninth Session of the Committee in documents PCF (IX)/6 and PCF (IX)/14, the future management of the project shall be re-phased to cover the project reformulation priorities defined on page four of the Interim Evaluation Report presented to the Government of Bolivia in August 1991 for the period until the end of 1993 in two phases. This report was subsequently presented to the Committee of Reforestation in document PCF (IX)/6.

The following agreements were reached by official representatives of the Government of Bolivia, of the donors, and of ITTO, in consultation with other interested parties.

In the first phase from December 1991 to April 1992, the following activities will be undertaken:

1. Presentation of detailed accounts for all expenditure of project funds from all sources, from August 1989 to the end of November 1991, summarized under the budget headings of Tables 2,3 and 4 of the Project Document. This report will be sent by the Project Director to ITTO by mid-January 1992. It will be followed by professionally audited accounts (to be defined in further discussions).
2. The appointment of an international consultant, acceptable to the Steering Committee, the Government of Bolivia and ITTO to assist project staff to:
 - * Preparation of a detailed work plan for forest management with details of all harvesting and planting for at least the years 1992 and 1993.
 - * To assist project staff facilitate the continued operation of the Project Steering Committee, the constitution and effective operation of the project consultative committee and the preparation of progress reports for the consideration of the ITTO Secretariat before the Yaounde Session of the ITTC in May 1992.

3. The continued operational functioning of the Interim Steering Committee, composed as follows:

Project Director
Representative of MACA
Representative of Civic Committee of Beni
Representative of NGO: Liga de Defensa a la Etnia del Bosque Chimanes
Representative of Consejo Chiman
Representative of Sub-Central de los Pueblos Indigenas de San Ignacio de Moxos
Representative of the Chimanes Timber Industries
President of the Directory of C.D.F., R.N. (Observer)
plus: Representative of Consultative Committee (to be selected by the Consultative Committee when constituted)
plus: Representative of national Conservation Organization (to be selected by NGOs themselves)
plus: Representative of CPIB (Observer).

This Committee will meet at least twice during this period, and thereafter about 2 - 3 times p.a., to be determined.

4. The Constitution of the project Consultative Committee. This Committee will be open to very wide representation of members and observers, including representatives and delegates of:

Indigenous and local communities, groups and organizations;
including CPIB, CIDOB, COICA and others;
Conservation and other NGOs, both national and international;
Civic Committees of Beni, S Borja, S Ignacio and Sta Ana;
Beni Biological Station
Technical University of Beni
ITTO, donors and international project staff and consultants
Religious, social and other involved organizations.
Project Manager and CDF
Forest industry and trade interests
and other interested groups.

It is anticipated that this Committee will meet in February 1992, and again during the Round Table Meeting in April 1992 (see below). Thereafter it should meet before and after each meeting of the Steering Committee, to ensure the free and effective interchange of information.

5. The start of regular consultations and dialogue with indigenous and local communities and other appropriate organizations in the three provinces centered on San Borja, San Ignatio and Santa Ana. This will be only the start of a process of communication which will then continue in the future. It will initially consist of meetings and discussions with interested organizations and community leaders, and the interchange of information about project activities and local concerns.

6. The continuation of necessary field activities, within the limits of the revised budget, as defined below. Activities will include the following:

- the completion of definition, demarcation and labelling of concessions, including their boundaries with indigenous territories, and of other selected disputed boundaries of indigenous territories, as determined by the Steering Committee.

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- continued ongoing forestry research and management activities, at a level consistent with protecting existing project activities and the new focus of the project.
- continued patrolling and inspection to control illegal cutting of timber in concessions and indigenous territories.
- offering technical assistance to, and consultation with indigenous groups to help them decide on their land use and forest resource plans.
- clear definition of the 1992 logging areas for all concessions, following the revised plans, limits and areas.

7. A Round Table Meeting in S Borja, to be held in the first week of April 1992, involving the Consultative Committee, and open to all interested parties, including representatives of ITTO and donors, NGOs and indigenous organizations and communities, to review progress and make representations to the Consultative and Interim Steering Committee.

ITTO Contribution to project activities in Phase 1, Dec 1991 - April 1992

2	Consultant for 2 months	30 000
3.1	Research - Plantations	10 000
3.3	Research - Natural Forest	10 000
3.4	Protection - Demarcation	10 000
4.3	Publications	3 000
4.4	Community Forestry Extension	20 000
5	Equipment	40 000
6	Travelling Expenses	5 000
Total		\$ 128 000

The item numbers refer to the ITTO Budget, Project Document, Table 2. Funds for the ITTO contribution to the first phase will be disbursed immediately.

The transition to Phase 2 will follow upon receipt of a satisfactory progress report from the project director and the international consultant, and a formal signed request from the Interim Steering Committee.

In the second phase, the Steering Committee will, in consultation with the Government of Bolivia and the ITTO Secretariat, select international specialists in tropical forest management and community forestry to provide technical advice and assistance to Bolivian Project Staff. Project activities in this phase will be focused on the implementation of the work plan developed in the first phase of the project within the limits of the overall project budget to the end of 1993, which is defined below:

BUDGET CORRESPONDING TO ITTO ASSISTANCE FOR THE PERIOD
DECEMBER 1991 - December 1993

(including Phase 1)

	1992	1993	Total
1. Personnel: full time			
Tropical forest management (18mm)	50	100	150
Community Forestry (18mm)	50	100	150
2. Consultants	100	100	200
3. Operational Expenses			
3.1 Tree Planting/Research	40	40	80
3.3 Natural Forest Management/Research	30	30	60
3.4 Protection and Demarcation	25	25	50
4.4 Community Forestry and Extension	50	50	100
5. Equipment, Vehicles	80	20	100
6. Travelling Expenses	10	10	20
7. Monitoring and Evaluation	6	6	12
9. Workshop		30	<u>30</u>
			972

More Information about redefined project activities is included in the Report of the Evaluation Mission of August 1991, Report No. PCF(IX)/14 of November 1991.

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3 December 1991

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NINTH SESSION
28 November - 4 December 1991
Yokohama, Japan

REPORT TO THE INTERNATIONAL TROPICAL
TIMBER COUNCIL

NINTH SESSION OF THE PERMANENT COMMITTEE ON
FOREST INDUSTRY

Table of Contents

Report

Appendix I Technical Evaluation of Project Proposals

Appendix II Pre-project Study: Feasibility study on programme to
 support the sustainable management
 of the African forests producing
 industrial timber in order better
 to enhance their potentiality

Appendix III Pre-project Study: Feasibility study on a program to
 strengthen ITTO activities in
 Latin America/Caribbean through
 the services of a field officer

Appendix IV Pre-project Study: 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

Appendix V Fellowships and Grants Approved
 (Report of the Selection Panel)

REPORT

1. Introduction

The Ninth Session was opened on 28 November 1991 by Dato' Baharuddin Haji Ghazali (Malaysia), the Chairman of the Committee. The list of Participants is reproduced in Document ITTC(XI)/Info.4 Rev.1.

2. Adoption of Agenda and Organization of Work

At its first meeting on 28 November 1991 the Committee adopted the agenda of its Ninth Session as contained in Document PCI(IX)/1.

3. Admission of Observers

The list of Observers admitted by the Committee is contained in Document ITTC(XI)/Info.5 and ITTC(XI)/Info.5 Add.1.

4. Report on Completed Project

The Committee took notice of the work accomplished on project completed since its last Session [PD 41/88 (I) The Identification, Properties and Uses of the Tropical Timber Imported to China from Southeast Asia]. The report on this project is reproduced in document PCI(IX)/4.

The Committee expressed its satisfaction with the successful completion of this project designed to promote Southeast Asian species in China and took note of China's intention to seek ITTO support to expand the work to cover African species in the near future.

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(IX)/3.

Further information on project implementation progress was given by the delegations of Peru [PD 37/88 Rev.3 (I) Industrial Utilization of New Tropical Species in Peru (Phase I)] and the ITTO Secretariat [PD 60/89 (F,M,I) Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development].

Recalling its earlier recommendations for an independent review of the fellowship program established under project PD 60/89 (F,M,I) "Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development", the Committee requested that such an evaluation be carried out in time for its consideration in its Tenth Session. As an interim measure to support the program until a full evaluation is considered, the Committee decided to recommend to the Council to allocate an appropriate amount of supplementary fellowship funds.

Further recalling ITTC Council Decision 2(X) whereby Steering Committees were made mandatory for projects with ITTO budget of US\$ 400,000 and over and with duration of at least two years, the Committee requested the Secretariat to make available the minutes of meetings of such Committees to Members upon request.

6. Consideration of Project Proposals

The Committee considered and evaluated 8 project proposals:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 47/88 Rev.2 (I)	Utilization of Lesser Used Species as Alternative Raw Materials for Forest-Based Industries	Government of Philippines
PD 109/90 Rev.2 (I)	Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire	Government of Côte d'Ivoire
PD 163/91 Rev.2 (I)	Technical Assistance and Training for Forest Industry Development in Sabah, Malaysia	Government of Malaysia
PD 179/91 (M,I)	A Linkage of Timber Properties and Market Intelligence for the Successful Marketing of Lesser-Known Ghanaian Timber Species	Government of Ghana
PD 195/91 (I)	Consumer Education on Timber and Processed Timber Products	Government of Peru
PD 196/91 (I)	Utilization of Residues and Dendrothermal Energy in the Peruvian Forest Industry	Government of Peru
PD 205/91 (I)	National Saw Maintenance Centre	Government of Zaire
PD 209/91 (I)	Study of Zairian Timber with a View to Promoting Certain Species	Government of Zaire

A project proposal [PD 193/91 (I) Selection of Techniques and Equipment to Replace Hand-Held Power Sawing Practices] initially tabled for Committee evaluation, was not considered in view of its withdrawal by the submitting Government.

On the basis of a request of the submitting country (Ecuador), the Committee decided to defer consideration of project proposal PD 177/91 (M,F,I) Strengthening ITTO Field Activities and Monitoring in Latin America/Caribbean until the results of an approved pre-project on the feasibility of the proposed work are made available.

The Committee expressed the view that the level of preparation of proposals has improved and that the Panel has been useful and effective to advise countries submitting projects on additional information and/or project design reformulation needed to allow and facilitate proper consideration and technical appraisal by the Committee. The Committee reiterated its view that the Panel mechanism is an effective tool to

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assist its technical appraisal of projects and decided to recommend the Panel's continuation to the Council.

The Committee also considered a project idea submitted by the Government of the United Kingdom: An Information Storage and Retrieval System for the Properties of Tropical Timbers [PCI(IX)/5].

The detailed results of the Committee's evaluation and appraisal of the project idea and project proposals are presented in Appendix I.

7. Report on Completed Pre-Project

The Committee took note of the Report on the Completed Pre-Project Study on Tropical Timber in Construction and Development of Harmonized Stress Grading Rules. The Study was implemented by the U.S. Forest Products Laboratory with the assistance of a sub-contractor, Engineering Data Management.

The pre-project study reviewed the status of tropical timber utilization in construction and the use of stress grading systems in the three main producing regions. The study concluded that opportunities exist for harmonizing stress grading rules within the three main timber producing regions, but the successful development and implementation of harmonized stress grading rules can only be achieved through a concerted effort involving technical assistance, training, and promotion of stress graded timber. The Study recommended that further work be carried out with a view to:

- develop and implement regionally-harmonized stress grading rules for tropical hardwoods;
- provide technical assistance to producing countries to enable development of adequate data base on structural characteristics and engineering properties of tropical hardwoods;
- establish a program to promote stress graded tropical hardwoods for domestic and export markets.

The full report on the pre-project study is reproduced in document PPR 24/91 (I).

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) Industrial Processing of Rubber-Wood in Africa
- (ii) Development Work to Phase Out Trade of Unsustainably Produced Timber: I - Assessment of Future Mahogany Supply and Alternative Industrial Operations for Sustainable Production
- (iii) Institutional Strengthening of IBAMA's Forest Products Laboratory
- (iv) Manpower Development of the Sarawak Forest Sector

- (v) Technical and Economic Feasibility of Large-Scale Construction of Wooden House in Brazil
- (vi) The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja, Ecuador
- (vii) Feasibility of a Promotion Center for Furniture Manufacturing in Ecuador

9. Decision on Pre-Project Work

The Committee decided to implement the following pre-project studies:

Pre-project Study: Feasibility study on programme to support the sustainable management of the African forests producing industrial timber in order better to enhance their potentiality

Pre-project Study: Feasibility study on a program to strengthen ITTO activities in Latin America/Caribbean through the services of a field officer

Pre-project Study: 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

The terms of reference for these three pre-projects are reproduced in Appendix II, III, and IV respectively.

10. Decision on Fellowship Applications Under Project PD 60/89 (M,F,I)

The Committee authorized the establishment of a Selection Panel to evaluate fellowship application submitted in time for the Eighth Session and select the successful candidates. The selection panel was composed by: Mr. David Boulter, Chairman (Canada), Mr. Samuel Kwasi Appiah (Ghana), Dato' Baharuddin Haji Ghazali (Malaysia), Mr. Eric Lammerts van Bueren (The Netherlands), Dr. Gary R. Lindell (U.S.A.), Dr. Amantino Ramos de Freitas (Brazil), and Prof. Nils-Erik Nilsson (Sweden). The applications approved are listed in Appendix V.

11. Review of ITTO Work on Lesser-Known Species (Joint Session)

The item was taken up in a Joint Session of all three Permanent Committees under the chairmanship of Mr. Erik Lammerts van Bueren, Chairman of the Permanent Committee on Reforestation and Forest Management. The outcome of the deliberations on this item appears under the appropriate section of the report of the Permanent Committee on Reforestation and Forest Management.

12. Dates and Venue of the Eleventh Session

The Committee decided that the date and venue of its Eleventh Session will be agreed upon by ITTC in its Eleventh Session.

13. Other Business

Considering the relevance of the problem of permanent timber supply to the tropical timber industry and ITTO's commitment to sustainability and Target 2000, the Committee decided to hold in its Tenth Session discussions on its future strategies for optimizing its work and contributions towards these major goals of the Organization. The Committee recommended the Permanent Committee on Economic Information and Market Intelligence and Permanent Committee on Reforestation and Forest Management to also consider inclusion of the subject on their agendas for the Tenth Session.

14. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations to the ITTC:

1. to approve for implementation the project proposals:

- | | |
|---------------------|--|
| PD 47/88 Rev.3 (I) | Utilization of Lesser Used Species as Alternative Raw Materials for Forest-Based Industries
(Government of Philippines) |
| PD 163/91 Rev.2 (I) | Technical Assistance and Training for Forest Industry Development in Sabah, Malaysia
(Government of Malaysia) |
| PD 195/91 Rev.1 (I) | Consumer Education on Timber and Processed Timber Products
(Government of Peru) |
| PD 196/91 Rev.1 (I) | Utilization of Residues and Dendrothermal Energy in the Peruvian Forest Industry
(Government of Peru) |

2. To recommend to submitting countries the revision of the following proposals:

- | | |
|---------------------|--|
| PD 109/90 Rev.2 (I) | Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire
(Government of Côte d'Ivoire) |
| PD 179/91 (M,I) | A Linkage of Timber Properties and Market Intelligence for the Successful Marketing of Lesser-Known Ghanaian Timber Species
(Government of Ghana) |
| PD 205/91 (I) | National Saw Maintenance Centre
(Government of Zaire) |
| PD 209/91 (I) | Study of Zairian Timber with a View to Promoting Certain Species
(Government of Zaire) |

3. To defer consideration of Project PD 177/91 (M,F,I) Strengthening ITTO Field Activities and Monitoring in Latin America/Caribbean until the results of a pre-project on its feasibility are made available.
4. To allocate additional funds to support implementation of project PD 60/89 (F,M,I) "Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development".
5. To urge Member countries to contribute funds to finance forest industry projects approved by the Council in previous sessions and so far unfunded. These projects are:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 92/90 Rev.1 (I)	Study of Costs and Yield Levels in the Bolivian Sawmilling Industry	Government of Bolivia
PD 107/90 (I)	Strategies for Sustainable Wood Industries in Sarawak	Government of Malaysia
PD 121/91 Rev.1 (I)	Entrepreneurship Development in the Furniture Industry	Government of Malaysia
PD 122/91 Rev.1 (I)	Furniture Export Marketing Programme for the EEC	Government of Malaysia
PD 151/91 Rev.2 (I)	Selection of Lesser-Known Tropical Timber Species of the Andean Sub-Region for Specific End-Uses	Government of Peru
PD 153/91 Rev.1 (I)	Feasibility Study to Establish an Andean Sub-Region Center for the Development of Sustained Forest Management and Support to the Timber Industry	Government of Peru

15. Election of Chairman and Vice-Chairman for 1992

The Committee elected Prof. Nils-Erik Nilsson (Sweden) the Chairman and Dr. Ruben Guevara Moncada (Honduras) the Vice-Chairman for 1992.

16. Report of the Session

The Committee adopted this report for submission to the Council.

APPENDIX I
TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF FOREST INDUSTRY

PROJECT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
		Art.23 Para.2	Art.23 Para.5					
PD 47/88 Rev.3 (I)	b, c	R & D wood utilization	a,b	a,b,c,d,e	\$ 702,612	5 years	Philippines	4
PD 109/90 Rev.2 (F,I)	a,b,c,e	forest management industry development	a,b,c,e	a,b,c,d,e	\$ 7,377,049	5 years	Ivory Coast	2
PD 163/91 Rev.2 (I)	a,e	training industry development	a,e	a,b,c,d,e	\$ 897,000	3 years	Malaysia	4
PD 179/91 (M,I)	a	R & D wood utilization/marketing	a	a,b,c,d,e	\$ 821,583	3 years	Ghana and consuming countries	2
PD 195/91 Rev.1 (I)	a	marketing training	a	a,b,c,d,e	\$ 687,000	2 years	Peru	4
PD 196/91 Rev.1 (I)	a	R & D feasibility study	a	a,b,c,d,e	\$ 168,000	12 months	Peru	4
PD 205/91 (I)	a	R & D training	a	a,b,c	\$ 1,000,000	5 years	Zaire and consuming countries	2
PD 209/91 (I)	c,e,g	R & D wood utilization marketing	a	a,b,c	\$ 500,000	5 years	Zaire	2

PRE-PROJECT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY Art.23 Art.23 Para.2 Para.5		CRITERIA Art.23 Para.6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
<hr/>								
Feasibility study on programme to support the sustainable management of the African forests producing industrial timber in order better to enhance their potentiality					40,250		Africa	
Feasibility study on a program to strengthen ITTO activities in Latin America/ Caribbean through the services of a field officer					46,500		Latin America/Caribbean	
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					40,000		Zaire	

-
- 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.

APPENDIX I

TECHNICAL EVALUATION OF PROJECT PROPOSALS

- (1) PD 47/88 Rev.2 (I) Utilization of Lesser Used Species as
Alternative Raw Materials for Forest-Based
Industries
(Government of Philippines)

The Committee recognized the merit of implementing work to promote the production and use of lesser-known to complement the demand for timber and timber products in the Philippines.

The Committee expressed its satisfaction with the revision work carried out by the Philippines in response to the Panel's recommendations.

Recalling that the project proposal had been drafted in light of ITTO-funded study on the Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines, whose results disclosed a detailed view of the Philippines forest resources and wood supply/demand situation, including desirability of promoting use and regeneration of lesser-known species, the Committee concluded that the project design and methodology could be further improved by drawing more from the study. Specific Committee concerns were:

- (i) the need to avoid promoting lesser-known species harvesting in residual forests that have not appropriately completed regeneration cycle;
- (ii) the lack of information framing the proposed work within the Philippines national strategy towards achieving sustainable production and supply of tropical timber and ITTO Target 2000;
- (iii) the need to effectively demonstrate that the harvesting of lesser-known species in the residual forests will not adversely affect the collection and use of non wood products (including non-harvestable subsistence products) by local communities; and for that matter, the desirability of including in the project activities designed to research the issue;
- (iv) higher project efficiency could be achieved by further shifting project emphasis from laboratory type research to industrial research designed and implemented in cooperation with the industry;
- (v) prioritization of sawmilling processing research and product development geared to meet the large timber deficit projected for the Philippine's construction industry;
- (vi) further consideration and review of species to be included in the study in view of availability and plantation potentials reported in the findings of the above mentioned pre-project.

The Committee decided to recommend for approval a revised project proposal [PD 47/88 Rev.3 (I)] drafted during the Session taking account of the above concerns and recommendations.

- (2) PD 109/90 Rev.2 (I) Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire
(Government of Côte d'Ivoire)

The Committee reiterated its earlier views on the need to assist with work needed to modernize and promote the long term sustainable development of wood-based industries in Côte d'Ivoire and their supply base. However, the Committee agreed with the Panel's conclusion that once again the resubmitted project revision failed to effect the project redesigning and reformulation along the lines earlier recommended.

The Committee further agreed with the Panel that in view of the long history of attempts to finalize an appropriate project proposal (as summarized in the Project Brief) and the recent progress made within Côte d'Ivoire in policy and institutional developments in the sector, it would be essential to send a country mission to assist project formulation and to draft a proposal along the lines suggested in the previous appraisals, with the minimum further delay.

The Committee requested the Executive Director to consult Côte d'Ivoire on the composition of such a mission, taking into account the desirability of finalizing the project preparation in time for submission of the proposal to the Twelfth Session of the Council, in May 1992.

- (3) PD 163/91 Rev.2 (I) Technical Assistance and Training for Forest Industry Development in Sabah, Malaysia
(Government of Malaysia)

The Committee reiterated its earlier views on the value of this project to promote development of further processing industries in Sabah, Malaysia. The Committee agreed that the project reformulation effected along its earlier recommendation and Panel's suggestions for minor modifications is satisfactory and recommended the project for approval.

Recalling that ITTO and other organizations have also been sponsoring other project work and training activities to improve and expand further processing in producing countries, the Committee recommended that the project activities be implemented taking into account available training materials and facilities that may contribute to the project success among them:

- (i) the manual of planning and management of forest industries in developing countries, prepared under ITTO project PD 4/87 Rev.1 "Training in Planning and Management of Forest Industries in Developing Countries"
- (ii) the FAO sawdoctoring manual
- (iii) the sawmilling training center of Sarawak
- (iv) the Indonesian sawdoctoring training courses and training materials.

- (4) PD 179/91 (M,I) A Linkage of Timber Properties and Market Intelligence for the Successful Marketing of Lesser-Known Ghanaian Timber Species (Government of Ghana)

The Committee expressed appreciation for the project revision submitted by the Government of Ghana in response to recommendations made by the Panel of Experts. The Committee agreed that the revised project objectives and justification do reflect the new implementation approach recommended, though noticing that further reformulation and a redesigning of project inputs, activities and corresponding outputs are still needed to ensure that the recommended industrial/marketing research and promotional program.

The Committee also expressed the view that consistency and contribution of the project work to the sustainable management and conservation of the forest resources of Ghana should be clarified and detailed in the project proposal.

The Committee took note of Ghana's request for assistance under ITTO project PD 73/89 (M,F,I) [Assistance for Project Identification and Formulation] to complete the project reformulation. The Committee requested the Executive Director to make efforts to provide the requested assistance in time for the project to be considered in its Tenth Session.

- (5) PD 195/91 (I) Consumer Education on Timber and Processed Timber Products (Government of Peru)

The Committee endorsed the Panel's appraisal and recommendation on this project. In light of amendments effected by the submitting Government, the Committee expressed its satisfaction with efforts made to reformulate the project along the lines suggested by the Panel. The Committee noted however that further amendment were needed to improve the design, including:

- (i) specification of outputs produced in the training activities targeting at builders, architects, engineers and other decision makers in the construction industry;
- (ii) provision of necessary project elements to ensure that the Peruvian timber industry will participate and contribute in the campaign to promote the use of their products;
- (iii) further information and detailing on the planned promotion education campaign whose contents should also be balanced to reflect and educate consumers on the need for sustainable production and utilization of tropical timber in harmony and in consistency with forest regeneration and the maintenance of other forest values, such as biodiversity.

The Committee decided to recommend for approval a revised project proposal [PD 195 Rev.1 (I)] prepared during the session incorporating the amendments made in response to the Panel's appraisal and taking account of the above concerns and recommendations.

- (6) PD 196/91 (I) Utilization of Residues and Dendrothermal Energy
in the Peruvian Forest Industry
(Government of Peru)

The Committee supported the Panel's view on the importance of promoting the utilization of forest industry residues. The Committee also agreed with the Panel's conclusion that effective promotion of waste utilization is more dependent on economic factors related to availability and transportation of residues as well as cost competitiveness with other fuel options. Moreover, the Committee noted that the amendments submitted, though adding activities for formulating and disseminating appropriate policies and incentives to promote waste utilization, does not include activities related to the prescribed economic studies.

The Committee stressed that the study should consist of two phases with the first phase concentrating on the broad economic aspects and feasibility of using waste utilization in Peru, including the aspects of scale of operations. The phase should in its inception carry out a comprehensive literature review as considerable information on the economics and technologies for wood waste energy generation are available both in Latin America/Caribbean and other regions. If economic prospects are favorable, the second phase including the policy development and promotion activities to expand use of residues for energy generation would be implemented.

The Committee subsequently decided to recommend for approval a revised project proposal [PD 196/91 Rev.1 (I)] drafted during the session, designed with two phases reflecting the above concerns and the recommendations and incorporating the amendments submitted by Peru in response to the Panel's appraisal.

- (7) PD 205/91 (I) National Saw Maintenance Centre
(Government of Zaire)

The Committee supported the view of the Panel that the project concept should be reviewed, possibly to focus activities on sawdoctoring training rather than in the provision of saw importing services and saw maintenance facilities. The Committee further agreed that as in the case with project proposal PD 209 there is scope for provision of direct assistance for the project proposal development and decided to assist Zaire with implementation of these needed pre-project activities. The terms of reference for the proposed assistance work are included in the pre-project study described in Appendix IV.

- (8) PD 209/91 (I) Study of Zairian Timber with a View to
Promoting Certain Species
(Government of Zaire)

The Committee endorsed the Panel's recognition that the project concept focusing on promotion of lesser-known species from Zaire is very relevant to ITTO objectives and ITTO Action Plan. Following-up on the Panel's view that the two-page project proposal does not contain enough information for a full appraisal and recognizing that Zaire would benefit from direct ITTO assistance to help with preparation of a properly designed project proposal, the Committee decided to implement pre-project activities to provide such support. The terms of reference for the proposed work are included in the pre-project study described in Appendix IV.

- (9) PCI(IX)/5 (I) An Information Storage and Retrieval System for the
Properties of Tropical Timbers
(Project Idea submitted by the Government of the
United Kingdom)

The Committee noted that the project idea meets with ITTA objectives and is related to activities prioritized in the ITTO Action Plan and Work Program in the Field of Forest Industry. Noting the relevance of the subject to ITTO and recalling that the Organization is already supporting considerable work to develop computerized systems for storing and retrieving information on lesser-known species, the Committee encouraged the Government of the United Kingdom to fully develop the idea into a project document taking account of related approved projects.

APPENDIX II

PRE-PROJECT STUDY

Title: Feasibility study on a programme to support the sustainable management of the African forests producing industrial timber in order better to enhance their potentiality

Original: French

Duration: 6 months

Field of activity:

Executing Agency: ITTO

Estimated Starting Date: January 1992

Estimated pre-project cost: US\$40 250

1. Context

The Council of the International Tropical Timber Organization adopted as an objective at its Eighth Session (May 1990) that all tropical timber marketed worldwide should originate from sustainably managed forests.

All the African countries Members of ITTO endorsed that objective and endeavour to make the necessary provisions for its implementation, in particular through existing co-operation and consultation channels.

As far as the Government of France is concerned, it has decided that, in addition to bilateral co-operation programmes, it would make available, as of 1st January 1992, to the African Timber Organization, which is the appropriate regional body, the services of a high level technical adviser specialized in the fields of sustainable forest management and forest industry development. An amount of 3.5 million francs (\$650,000) will be allocated to the adviser over a period of 2 years to enable him to cover his running expenses and to call upon any necessary outside expertise.

2. Objective of the pre-project

The objective of this pre-project is to study the conditions in which the strengthening of regionally undertaken collective or joint actions would facilitate the attainment of ITTO's objectives.

3. Activities and expected results

The pre-project will include the following:

i Consultation with the Member countries concerned.

These consultations will make it possible to define the countries' needs as regards the implementation of the Guidelines for the sustainable management of natural and planted forests producing industrial timber.

ii. Preparation of an action programme

In the light of the results from 1 above, the programme could further define which actions are to be undertaken in the following fields:

- assistance for the preparation of regional, then national, guidelines based of ITTO's Guidelines for the sustainable management of natural and planted forests producing industrial timber, with a view to preserving the biodiversity;
- assistance for the development of modern legal instruments on sustainable forest management;
- consultation with both national bodies and professional users in industry regarding the implementation of the guidelines;
- Training in sustainable forest management (inventory, mapping, preparation of management plans, operational provisions, silviculture);
- assistance for the formulation, monitoring and implementation of projects to be submitted to ITTO.

Various types of actions could be undertaken: publication and distribution of documents, organisation of training cycles and seminars, technical assistance, publication of a quarterly information bulletin.

iii. Definition of needs in connection with structural reinforcement.

4. Estimated costs

- International Consultant	27 500
50 days (\$550/day)	
of which 35 mission days (DSA: \$150/day)	5 250
- Travel expenses - air ticket	5 000
- local	1 500
- Editing and typing of the report	1 000
Total external costs	<u>\$40 250</u>

APPENDIX III

PRE-PROJECT STUDY

Title: Feasibility Study on a Program to Strengthen
ITTO Activities in Latin America/Caribbean
through the Services of a Field Officer

Executing Agency: ITTO

Estimated pre-project cost: US\$ 46,500

Terms of Reference:

1. Study the feasibility of strengthening ITTO's activities in Latin America/Caribbean through the mechanism proposed under Project PD 177/91 (F,M,I) Strengthening ITTO Field Activities and Monitoring in Latin America/Caribbean.
2. Explore possible posting options for an ITTO Senior Officer among relevant organizations collaborating with ITTO in the region (e.g. FAO, JUNAC, Amazon Treaty Cooperation, etc.).
3. Prepare recommendation towards further improving the feasibility and cost benefits of the work proposed under Project PD 177/91 (F,M,I) Strengthening ITTO Field Activities and Monitoring in Latin America/Caribbean.

The Study shall include consultations with the Member countries in the region.

Budget:

Consultancy services (2 m/m)	US\$ 24,000
Travelling costs	
air tickets	US\$ 8,000
DSA (30 x 150)	US\$ 4,500
Other costs (translations, communications, reports, etc.)	US\$ 10,000
TOTAL	<u>US\$ 46,500</u>

APPENDIX IV

PRE-PROJECT STUDY

Title: 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

Executing Agency: ITTO/Zairian Government

Estimated pre-project cost: US\$ 40,000

Terms of Reference:

In cooperation with the Zairian TFAP follow-up unit, assist Zairian Government to prepare project proposals for presentation to ITTO, under the following terms of reference:

- (a) Assess the wood production situation in Zaire, including the status and prospects for utilization and promotion of LKS.
- (b) On the basis of the findings of activity under (a) and taking account of Zairian institutional capability and institutional support that may be needed, develop the project profile presented under PD 209 into a full project proposal.
- (c) Review and assess availability of appropriate saws and sawdoctoring training needs in Zaire and prepare recommendations for action to fill gaps on this area, in light of ITTO priorities set up in the Action Plan. The proposed action may include a fully developed proposal based on the profile presented under PD 205.

Budget:

Consultancy services (1 1/2 m/m)	US\$ 18,000
Travelling expenses	US\$ 10,000
Other costs (report preparation, communications, translation work)	US\$ 12,000
TOTAL	<u>US\$ 40,000</u>

APPENDIX V

FELLOWSHIPS AND GRANTS APPROVED

(Report of the Selection Panel)

<u>Application No.</u>	<u>Name/Nationality</u>	<u>Subjects</u>
54/91	XING, Jiaqi/China	Wood Preservation Technology
58/91	BEDU-MENSAH, Kweku/Ghana	Quality Control of Downstream Processed Products
60/91	ASUGRE, Stephen Atinaba/Ghana	Application of Computers for the Sustainable Management of Ghana's Timber Resources
61/91	TONIOLO, Maria Angélica/Brazil	Restoration of Secondary Growth in Tropical Rain Forest Regions
62/91	TISSARI, Jukka Tapanis/Finland	A Study on The Market for Imported Tropical Timber in the RSA
75/91	SINGH, Daljit/India	Attendance at Agroforestry Systems Post-Experience Program, Silsoe College, U.K.
76/91	SAGOE, John Augustus/Ghana	Accelerated Kiln Drying of Selected Lesser-Known Tropical Hardwoods
78/91	de SOUZA MENDES, Alfredo/Brazil	Drying of Mixed Tropical Hardwoods

The Selection Panel approved eight Fellowships at this Session, subject to two conditions:

- (a) availability of voluntary contributions to the Special Account for PD 60/89, and
- (b) agreement of all future donors to the ITTO monitoring, evaluation, and administration component being raised to 10% of each voluntary contribution (donor representative were invited to attend Selection Committee meetings).

The Selection Panel also recommended a review of the project and requested the Permanent Committee to approve re-allocation of funds between Sessions at the discretion of the Executive Director and subject to reporting to the next Selection Panel meeting. Only funds from Fellowships which could no longer proceed, or were completed but had underspent their budgets were to be re-allocated to other Fellowships, and only Fellowships which had been subject to unforeseen cost rises might be the recipients of such re-allocations.

The Selection Panel affirmed, however, that Fellowships are to be awarded to individuals, and not to the incumbents of institutional positions. Thus, no individual may substitute for any approved Fellowship holders without a re-application in his or her own right.