



ITTO

**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

Distr.  
GENERAL

ITTC(X)/20  
15 August 1991

Original: ENGLISH

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TENTH SESSION  
29 May - 6 June 1991  
Quito, Ecuador

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

**Quito, Ecuador  
29 May - 6 June 1991**

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## Introduction

1. The Tenth Session of the International Tropical Timber Council took place at the Hotel Colon Internacional in Quito (Ecuador) from 29 May to 6 June 1991. The Session was attended by 35 Members and by Observers representing non-member Governments, several agencies of the United Nations, development banks, inter-governmental and non-governmental organizations, including both conservation organizations and trade and industry associations. The list of participants is reproduced as Annex I to this Report.

2. During the period of the Tenth Session of the Council, its three Permanent Committees convened for their Eighth Sessions.

## Opening of the Session {Item 1}

### Opening Address by the Chairman {Item 1 a)}

3. The Opening Session of the Council was preceded by a Ceremony in which Members were honoured by the presence of the Constitutional President of Ecuador, His Excellency Dr. Rodrigo Borja de Cevallos, who addressed the Council and commended its forthcoming deliberations. His Excellency was succeeded by other dignitaries of the Government of the Republic of Ecuador.

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

5. The Chairman noted that the mid-year Session of the Council was returning to Latin America/Caribbean after rotating across the globe through Africa and Asia/Pacific. He highlighted recent important moves by producer nations towards more domestic processing and linked this development with the need for consumer countries to reduce tariff and non-tariff barriers to processed products. The Chairman stressed the unique role of ITTO in providing a forum for cooperation between producers and consumers and made a special plea for members to support the administrative budget of this fast-growing Organization. He foreshadowed important events in the ITTO Calendar for 1991, the Round Table to be held during the Session, the Conference of Senior Foresters in Yokohama in July, the World Conference on Plywood in Jakarta in December, besides confirming the major contribution which ITTO would make in global gatherings such as the Tenth World Forestry Congress in Paris in September and the United Nations Conference on Environment and Development in Rio de Janeiro in June 1992.

### Statement by the Executive Director {Item 1 b)}

6. In his statement the Executive Director referred to the

fact that the Tenth Session was taking place in Ecuador at the express invitation of the President, and, noting the fact that Ecuador was one of the earliest countries to achieve independence in Latin America, he commended the President for continuing the Ecuadorian tradition of visionary ideals.

7. The Executive Director emphasised the necessity for producing countries to be in the forefront of development towards sustainable management of their own forest estates, and commended the forthcoming Round Table as a potentially powerful instrument in support of this cause. Tracing the history of ITTO back through the Integrated Programme on Commodities to the Charter of Economic Rights and Duties of States, and to the historic U.N. debate on the New International Economic Order, he reminded his listeners of the recent momentous changes in the present world order, and drew a specific parallel with the approaching need to prepare for a possible successor agreement to the International Tropical Timber Agreement, 1983.

8. In reference to the accelerating tempo of ITTO activities and the large number of project proposals being received by the Organization, the Executive Director expressed gratitude to the members of the Expert Panel on Technical Appraisal of Projects and to the Independent Consultants on the Review of the Project Cycle. He also reiterated that the lack of personnel at the Secretariat had inevitably led to the curtailment of some engagements, and to obstacles in ITTO's progress towards fulfilling its mandate. At the same time he paid tribute to private commercial and social organizations within Japan which had recently made pledges and voluntary contributions to the Special Account.

9. ITTO was also active in developing guidelines for planted tropical forests and for conservation of biological diversity to complement those it had already prepared and published for natural tropical forests. In this connection the Executive Director referred to initiatives in Brazil, the Netherlands, Indonesia, and Ecuador. He noted the considerable interest shown in the Organization by non-Member States, and informed his audience of ITTO's active participation on the UNCED Preparatory Committee and the Sessions of the Inter-Governmental Panel on Climate Change. In conclusion, the Executive Director called for cooperation among Member States, experts, conservation NGOs and Trade Associations in the forthcoming deliberations of the Tenth Session.

#### Ascertainment of the Quorum {Item 2}

10. The quorum was met for the opening of the Session as required under Article 13 paragraph 1 of the ITTA.

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11. The Delegate of Switzerland, Dr. Christian Häberli, sought clarification. The Executive Director confirmed that there was a quorum both in terms of numbers of Members of each group represented, and in terms of numbers of votes held, sufficient to proceed with Council's business, but not to issues which required voting. The Chairman agreed that should a vote be necessary at any time during the proceedings, a formal statement of the quorum present containing the full list of financial Members (those still holding voting rights) would be issued to Members.

**Adoption of Agenda and Organization of Work {Item 3}**

12. The Council adopted the Agenda of its Tenth Session as contained in document ITTC(X)/1 reproduced in Annex II of this Report.

13. The Chairman also proposed, and it was agreed, to constitute two informal Consultative Groups (with open-ended membership) under his chairmanship: a Consultative Group on Financial and Administrative Matters to undertake preliminary examination of Items 16, 17 a) & b); and a Consultative Committee on Project Financing to consider Items 10 b) and 17. The Council further decided to consider Items 16, 17 a) & b), and 19 in Closed Session.

**Report on Membership of the Council {Item 4}**

14. The Council took note of the report by the Executive Director that there had been no change in the membership of the Organization since the last Session and therefore the membership remained at 48.

**Distribution of Votes {Item 5}**

15. Following the report by the Executive Director under Item 4 of the Agenda the Council took note of the fact that there were no changes to report in the Distribution of Votes since the last Session.

**Admission of Observers {Item 6}**

16. The Council agreed to admit provisionally as Observers the representatives of two States: Costa Rica and Iran, the representatives of six U.N. and Specialized Agencies including Development Banks, two inter-Governmental, one Governmental, and seventy-one non-Governmental organizations, pending scrutiny of their credentials. The Chairman later reported that this scrutiny had been undertaken without cause for alteration in the provisional list of Observers admitted.

17. The Chairman recalled that Observers had been provisionally admitted and referred Delegates to the Provisional List of Participants [ITTC(X)/Info.2/Rev.1]. He requested the Session to consider each category separately.

18. The Delegate of China, Mr. Yu Shimao, indicated he had no objection to admission of the various organizations applying for Observer status, but requested that they supply more information on their objectives and activities. The Chairman referred the Delegate to the information which had been provided so far, and asked if this was, in his view, insufficient. The Delegate of China replied that he was willing to accept the view of other Delegates on this issue, and so the Chairman referred the whole matter to the floor for a decision. There being no objections, he declared that the applicants, as listed, were now formally admitted to the Tenth Session of the ITTC.

**Appointment of the Credentials Committee {Item 7}**

19. A Credentials Committee was appointed to examine the credentials and attendance of 35 countries participating in the Tenth Session. It was composed of representatives of Bolivia, Ecuador, Denmark, Germany, Ghana, India, Japan, and the U.S.A. with Mr. Hiroyuki Yamamoto (Japan) in the Chair.

**Reports in connection with Decision 6(IX) {Item 8}**

**Panel of Experts on Technical Appraisal of Project Proposals {Item 8 a)}**

20. The Chairman of the Expert Panel, Mr. Ron Kemp, described the Terms of Reference under which the Expert Panel operated, as set forth in Decision 8(IX) Appendix I. The resulting Report from the Expert Panel's first meeting, 18-22 February, 1991 (document ITTC(X)/7), followed these terms of reference faithfully, except for the fact that, with prior approval, the meeting was held at the Malaysian Timber Industry Board in Kuala Lumpur, and Mr. Kemp expressed appreciation to the MTIB for this generous gesture.

21. The Chairman described the work of the Panel as a service, firstly to the submitting country, to strengthen the project proposals, to improve the chances that the proposal would be approved and funded, and secondly to the Permanent Committees, to ensure the completeness of relevant information, and adherence to ITTO's objectives, in order to facilitate the Committee's consideration of the projects.

22. Mr. Kemp discussed the criteria used by the Expert Panel in conducting their technical appraisal. Firstly, the ITTO Action Plan was broadly used to judge relevance to ITTO's objectives, and the majority of proposals passed this test with ease, none being judged irrelevant. Secondly, the scientific basis of proposals was analysed by examining the consistency of design in relation to objectives, methodology, finance, staffing, and duration. The incompleteness of the information provided was universally agreed by the Panel members to be a deficiency of almost all proposals.

Typical examples were lack of site information, no clarity in the objectives, and, in the case of forest harvesting, inadequate indication of sustainability targets.

23. The Panel was also alert to signs of duplication, or insufficient harmonisation with work being undertaken by other international organizations, or with national plans, or in neighbouring countries or regions.

24. The workload of the Panel was heavy, with 47 project and pre-project proposals reviewed. However, the Panel was requested to address issues relating to efficiency in the Project Cycle. Members felt that a reasonable margin of time for the receipt of advance copies of the proposals was important to enable them to bring to bear all their skills and experience, besides consulting colleagues, but on this occasion it was recognised that problems had arisen owing to the fact that proposals reached the Secretariat on the deadline and little time was available for translation. The Chairman mentioned that despite the strong support of the MTIB and the Government of Malaysia, if there were to be another Expert Panel it might be the optimum choice to return to the original intention to hold the meeting at the ITTO headquarters. In conclusion, Mr. Kemp praised the professionalism and hard work of the Panel Members.

25. The Delegates of France (Mr. Jean Clement) and Australia (Mr. Paul Sutton, the latter speaking as spokesperson for the Consumers' Group) also commended the Expert Panel for its work and congratulated the Council for having taken this important step in establishing it Panel.

26. The Vice-Chairman, Mr. David Boulter, Canada, spoke to the draft Decision 2(X), which was derived from Agenda item 8, and recommended its adoption as a short-run solution to the Organization's problems with its Project Cycle to be followed by a new phase of reforms beginning at the next Session.

#### ITTO Project Cycle Review {Item 8 b)}

27. The Chairman reported that an informal working group he had set up to consider the report on this agenda item was not yet ready to report, but that he now wished the first of the two independent consultants on the Project Cycle Review, Dr. Amaru Maximiano and Mr. Ian Buist, to introduce their report to Council [Document ITTC(X)/8].

28. Mr. Buist explained that their study had been given a wide brief but that time for its execution had been limited. The major substance of

their report was summarised in 42 propositions. He expressed appreciation of the response of various Member States to the earlier draft report.

29. The speaker reported that the situation the Consultants first encountered at the Secretariat dismayed them insofar as every human resource was being strained to the utmost just to maintain the status quo of the existing workload of projects under implementation. However, the negative response of Members to their initial suggestion of an increase in staff led to the modified approach of proposing that the full cost of ITTO staff time and other resources which could be allocated to identifiable projects and pre-projects should be charged to the Special Account, in accordance with Article 20.5 of the ITTA, 1983, this procedure to be introduced as quickly as possible in 1992, with the resultant savings to the Administrative Budget being re-deployed within this account to relieve excessive pressures on the Secretariat.

30. Mr. Buist stressed that the formative stage was the most important one for preparation of proposals and therefore he and his colleague recommended the drafting of a project preparation manual. They had also discovered a growing and underestimated problem in implementation. In real life, no project proceeds as planned, and indeed, the success of a project may be judged by the way in which it has adapted itself to the unforeseen problems which always arise during implementation. Mr. Buist drew the attention of the audience to the tendency of projects to become protracted in circumstances where they were not dealing successfully with such problems. Guidelines were necessary to assist ITTO's monitoring and evaluation activities.

31. The speaker underlined the importance of coordination with other international organizations, both at the macro-level in relation to ITTO's unique function, and at the micro-level, where the requirements written into the documentation should be translated into reality. A single national forestry policy, internationally recognised, was of the essence. In this context, ITTO had a duty to ask each Member submitting a proposal if it was consistent with ITTO's Guidelines; if not, the Member could seek aid elsewhere. It was not a proposition of the Consultants that ITTO should demand that sovereign states must have policies which conform to its guidelines.

32. The other independent consultant, Dr. Amaru Maximiano, again noted the great need for human resources development in the submitting agency to improve their capacity to identify and formulate projects. The consultants

recommended that the Panel should become a regular feature of the project cycle.

33. Moving to the far end of the Cycle, Dr. Amaru addressed the question of post-evaluation of each individual project, the objective being to determine to what extent the post-project situation differed from the pre-project situation, and to what degree the former reflected what had actually been planned and forecast in the original project document. A related matter was investigation of the way in which the results of groups of projects were being fed back into the preparation stages of new ones.

34. The Delegate of Japan, Mr. Motokatsu Watanabe, recalled the difficulties experienced by a Côte d'Ivoire project of national importance in receiving finance after being approved. He described the importance of activities undertaken under ITTO Projects PD 73/89 and PD 60/89 in which a Project Formulation Mission had been mounted to assist Papua New Guinea, training workshops had been held, and a Fellowship programme had been underway for two years. If any Member were to request such missions in the future, Japan would support their request.

35. Nevertheless the number of projects approved by Council which still lacked funding for immediate implementation had become a source of embarrassment. Mr. Watanabe called upon submitting Members to set priorities among their project proposals, and for a partnership among Members contributing earmarked funds voluntarily to the Special Account.

36. The Delegate of the Netherlands, Dr. Hans Obdeyn, in noting that an informal working group was currently working on the independent consultants' report, asked the consultants how long they believed it would take to complete and bring into operation the project preparation manual they proposed.

37. The Delegate of Ireland, Mr. Raymond M. Keogh, expressed his view that ITTO, as an organization funding projects, could not avoid defining "sustainability". To help this process, Mr. Keogh put to the Council his definition of "national sustained yield", which was "a perpetual and balanced output of all desirable goods and services based on a prioritised segmentation of the present and future tree cover of a sovereign nation." He believed this definition would assist in resolving confusion about what precisely was meant by "sustainability".

38. The Delegate of Papua New Guinea, Mr. Gabriel Pondros Samol, spoke of his own country's experiences in trying to meet the needs and requirements of different donors. Fifteen projects had been approved from the Round Table

of the Tropical Forestry Action Plan, with several different donors, of which ITTO, following the EESTRU Mission, had undertaken to fund two. Mr. Samol wished to emphasise the difficulties experienced by host countries in adhering to different guidelines for different donors. He requested that project cycle consultancies recognise this problem in future, and further noted that frequently only one or two people from a typical Government Ministry could be assigned to the task of examining different donor's guidelines and framing proposals accordingly.

39. The Representative of FAO, Dr. Jim Bourke, complimented the consultants on their recommendation for good coordination with other organizations working in the same field. The awareness of work already done or being done by other organizations is especially important for Members of the Expert Panel. In this context, it was unfortunate that FAO had not received any of the project documents in time for review by its experts, who would also have been aware of work which FAO was already implementing in the area of a given project.

40. The Delegate of Malaysia, Mr. Yusof Bin Salleh, stated his view that the Project Preparation Manual would assist producers to avoid the present need for extensive revisions of proposals. He also believed the post-evaluation review would be useful to donors in presenting a picture of the project once completed; the proposal to have a limited number of people in this team was valuable for a country with a number of projects in a number of sub-sectors.

41. The Delegate of Brazil, Ms. Annamaria Mosella Portella, desired the meeting to return to the question raised by the Delegate for the Netherlands, concerning the time and cost associated with the drafting and cost of the Project Preparation Manual. Producing countries were in need of fortifying measures to strengthen their own project formulation capacity; normally their concern with their own projects weakened their ability to critically appraise proposals from consumer countries. Moreover, ITTO needed to strengthen its own monitoring and evaluation capacity, and thirdly Ms. Mosella Portella considered it to be premature to define sustainability, as proposed by the Delegate of Ireland, since the meeting was still concerned with specific technical details of projects.

42. The Delegate of Thailand, Dr. Sathi Chaiyapechara, considered that in the past funding of a proposal had not always been based on its technical merit but on other factors, and he believed in the future this deficiency would be corrected. But if ITTO was to become a project Executing Agency on

the same scale as, say, FAO, then the tendency for project managers to be consuming country nationals would, he believed, eventually lead to most project funds being returned to the donors. Finally, he re-inforced the concerns of the Delegate of Brazil on the time and cost involved in drafting the Project Preparation Manual, bearing in mind that several other organizations already had good working versions, and noted that the training workshops of PD 73/89 were a quicker way of achieving the same effect.

43. The Delegate of Germany, Dr. Wolf Guenther, questioned the consultants on consultations between ITTO and the Common Fund for Commodities. Since ITTO was an ICB of the Common Fund, it was permitted to use the facilities of the Second Account, which was now open for use. He asked the Secretariat whether they would submit proposals for financing by the Common Fund.

44. In response, and on behalf of both the Independent Project Cycle Consultants, Mr. Buist expressed appreciation of the comments of the Delegates of Japan and Brazil in respect of the need for institutional strengthening both of ITTO and of the Member countries' project formulation capacity.

45. He replied to the questions about the Project Preparation Manual by stating that guidelines on project preparation specifically for the tropical moist forest could not be found and even for the forestry sector generally only the FAO's Principles and an old document of the Inter-American Development Bank currently being revised, exist. The Manual would therefore be a pioneering work.

46. With regard to the question on the Common Fund, Mr. Buist replied that the Common Fund was not consulted since the Terms of Reference required the consultants to consult those organizations with experience of the Project Cycle, and the Common Fund has no such experience as yet. Furthermore, time limitations precluded consultation with every relevant organization.

47. Dr. Amaru reiterated his colleague's expression of satisfaction with the views supporting further human resources development activities. His expectation of the new Project Preparation Manual was that it would contain checklists rather than complicated instructions; the report had estimated six weeks' work entailed in the completion of this report, which also gave an indication of the likely cost. On the issue of approved but unfunded projects, the consultants pointed out that they had made recommendations to deal with this issue.

48. The Delegate of France responded that they possessed project preparation manuals of the type sought and secondly there already existed a method for coordinating internationally-funded projects in forestry, namely the Tropical Forestry Action Plan, whose Steering Committee would be meeting in Canada eight days after this Session. Therefore the ITTO should not undertake the production of project preparation manuals independently but rather utilise those of other international organizations.

49. The Delegate of the Netherlands, Dr. Hans Obdeyn, suggested that the Consultants must have misunderstood the terms of reference if they had claimed that no other suitable project manual already existed. The recent UNDP manual has universal application, for instance.

50. Mr. Buist responded that although there were a number of other manuals of the type referred to by Dr. Obdeyn, he could assure his listeners that none, and particularly neither the UNDP nor the World Bank versions, specifically addressed forestry projects, still less those in tropical moist forests.

51. The Executive Director responded to the comments of the FAO representative that it was the Organization's policy to send documents to all Members and Permanent Observers (except those restricted to Members). All documents to FAO would normally have been addressed to the Assistant Director-General of Forestry.

52. In response to the comments of the Delegate for Germany the Executive Director replied that the Organization had indeed established contacts with the Common Fund for Commodities, and indeed the ITTA, 1983 (Chapter VIII) actually required that ITTO should avail itself of the facilities of the Second Account when that became operational. Nevertheless, he indicated that there was merit in having a project preparation format which was similar to other organizations; this will help to minimise the difficulties explained by the Delegate of Papua New Guinea.

53. The Chairman added that the Managing Director of the Common Fund had recently told him that the Fund was looking forward to receiving proposals from ITTO.

### Projects {Item 9}

#### Reports of the Eighth Sessions of the Permanent Committees {Item 9 a)}

54. Reports of the Eighth Sessions of the Permanent Committees were delivered by their respective Chairman, and are reproduced in this Report in Annex V. After amending minor errors, Council adopted these reports.



Consideration of Project Proposals and Prioritization of Projects  
{Item 9 b)}

55. Council considered this item as part of the recommendations of the Permanent Committees and discussion took place over the successive drafts of Decision 1(X).

56. The Delegate of the United Kingdom reported that the three Project Ideas presented by the U.K. were being converted, as a result of further consultations, into Activities in order to ensure immediate implementation. Donor financing had been secured. This amendment was incorporated into Decision 1(X).

57. The Delegate of Ecuador, Ing. Marco Vinueza, made a special plea for funding of the Napo-Sucumbios project, which he stressed had been prepared by a person who had lived in indigenous communities and really understood their problems. He remarked that an environmentalist organization's publication had stated that ITTO must demand a solution from the Government of Ecuador, but, in fact, it was an aspect of their constitution that every institution seeking support from international organizations must work through the regular channels. The speaker invited indigenous organizations to participate in the development of the project and ITTO to send a mission to re-assess the situation on the ground.

58. The Chairman of the Permanent Committee on Reforestation and Forest Management expressed sympathy for the position taken on the project by Ecuador and supported the idea of a mission.

Annual Review and Assessment of the World Tropical Timber  
Situation {Item 10}

59. The Chairman of the Permanent Committee on Economic Information and Market Intelligence, Dr. Gary Lindell, noted the general agreement that this year's Annual Review, prepared by the Secretariat, was a much improved document on the previous years. However, there was cause for concern over the response to the Forecasting Enquiry and the Country Market Statements as only 17 countries responded this year. The Permanent Committee recommended that each Member Country nominate a respondent to be responsible for preparing their country's data and submitting it to ITTO. This year's discussions on the World Tropical Timber Situation ended with a press statement.

**Report of the Working Group Established under  
Decision 2(IX) - "Guidelines for Management of Tropical Forest  
Plantations" {Item 11}**

60. The Chairman of the Permanent Committee on Reforestation and Forest Management, Mr. Eric Lammerts van Bueren, spoke to this item and explained that the Council wished the Guidelines to be similar in format to those of their predecessor, the Guidelines for Sustainable Management of Natural Tropical Forests, in order to assist nations in drawing up their own versions.

61. The Working Group met at the Research Institute for Forestry and Forest Products in Hamburg, Germany, and considered a draft prepared by Professor Bruenig. The resulting document [ITTC(X)/9] was discussed by an informal working group from the Reforestation and Forest Management Permanent Committee. Written comments were included in the revision (Rev.1), and participants at the Session were invited to send items to the Secretariat for inclusion in Appendix VI of the Guidelines before 1 August.

62. Mr. Lammerts van Bueren thanked Prof. Bruenig for his substantial contribution to the final version. He read the recommendations to the audience, ultimately enshrined in Decision 5(X), the intention being to promote the widest possible distribution of the Guidelines.

63. The Delegates of Brazil, Switzerland, and Germany spoke in favour of the draft decision, but the latter requested that "planted tropical forests" replace "tropical forest plantations", an amendment supported by the Representative for the United Kingdom, Mr. Michael Wood. The Swiss Representative proposed that Members be invited to take these ITTO Guidelines into account when submitting projects in this field of activity. The Representative for Germany, however, suggested the Swiss proposals had already been incorporated into the Guidelines. The Chairman of the Permanent Committee on Reforestation and Forest Management concluded by drawing the link with the proposals for the Guidelines on the Conservation of Biological Diversity.

**Progress Report on Preparations for the Tenth World Forestry  
Congress (Paris, 17-26 September, 1991) and the United Nations  
Conference on Environment and Development  
(Brazil, 1-12 June, 1992) {Item 12}**

64. The Executive Director delivered this report [Document ITTC(X)/11] in response to Council's request to be kept informed on these matters, which were so relevant to ITTO.

65. The Report sets forth in schematic form the organization of meetings, and Council's attention was particularly drawn to the ITTO

Satellite Meeting arranged through the Xth World Forestry Congress Organizing Committee for September 25th, 1991. Dr. Freezailah asked for all Delegates to publicise this Satellite Meeting, for which a programme would be distributed, in order to encourage as wide an attendance as possible. The Satellite Meeting would review the work undertaken by ITTO since its inception.

66. On the matter of UNCED 1992, the Executive Director noted that the interest of the Organization lay in Working Groups 1 and 3, since these groups covered deforestation, biodiversity, biotechnology, climate change, ozone layer depletion, soil loss, drought and desertification. ITTO follows the work of the Preparatory Committee, and it serves on the working group on forestry, which assists at the "Prepcomm". ITTO has responded to the request to produce relevant reports to the UNCED Secretariat. At the Second "Prepcomm" discussions have focussed on managing, developing, and protecting the world's forests.

67. The Executive Director referred in particular to the work being undertaken by a sub-group of the forestry group on the possibilities for a non-binding multilateral world forests convention, which would cover all types of forest, either integrated into the proposed "Earth Charter", or independent. The completion of this work is properly the task of the UNCED meeting itself, and a consensus is emerging that UNCED'92 will be the global forum for the creation of this charter or agreement. All organizations are called upon to co-ordinate their efforts through the UNCED process. ITTO welcomes these initiatives, and it has been formally accorded Observer status in the process.

68. Some of the papers submitted to the Global Workshop on Forest Options are being examined to determine their suitability as papers for submission to UNCED. Also, the outcome of the Round Table will be submitted for UNCED's Agenda 21, further enhancing ITTO's contribution to this important world forum.

**Report of the Round Table on "The Agenda for Trade in Tropical Timber from Sustainably Managed Forests by the Year 2000"**  
**{Item 13}**

69. The Chairman of the Expert Panel, Dr. Herman Haeruman (Indonesia), reported on the Round Table [Document ITTC(X)/12]. The objective of the Round Table was fully described by its title; Dr. Haeruman highlighted the unanimous support for the programme and the enthusiasm for developing an immediate plan of action. A fundamental point was that continuation of the trade was itself another form of evidence of the value of the tropical

forests to all mankind. The ITTO Guidelines were universally accepted as a suitable framework for every country to develop their own guidelines; but to translate the guidelines into reality required national forestry sector planning and international support.

70. Incentives for sustainable management were essential but needed care in direction towards local needs. Every package of measures, for example, measures to sustain stumpage prices in times of depressed final product prices through indexation, required to be tailor-made for recipient country circumstances. Nevertheless, continuous assessment of progress was needed, together with certification systems to confirm regular implementation of sustainable forest management practices.

71. For State-owned lands, institutional strengthening of forest services was paramount, in order to secure basic boundary maintenance, regular inventory, and management practice. For community-owned lands, unequivocal recognition of land tenure and customary rights was essential.

72. The pivotal role of ITTO was recognised, especially in its relationship with other organizations. The Round Table concluded by detailing this role, including, inter alia, the need for work on methods of definition and measurement of sustainable management, initiation of pilot studies to identify areas of need for incentives, and further efforts to encourage market transparency.

73. The Delegate of the European Economic Community, Mr. Enzo Barattini, questioned the Report's comments on incentives in relation to tariffs on traded products. In reply, the Chairman indicated that approval of the Report would be held pending consultations on the items to which the EC delegate was objecting.

74. The Delegate of Australia, Mr. Paul Sutton, reported a high degree of common interest in the report both among consumers and between consumers and producers. He was hopeful of a joint resolution in the near future.

75. The Delegate of Malaysia, Mr. Yusof Salleh, thanked the Chairman of the Expert Panel of the Round Table. However, his view of the interim report was that it did not reach the actual level of discussions during the Round Table. He therefore desired the Council to amend the final report accordingly. Furthermore, a clear indication of the cost necessary to achieve the Target 2000 should be calculated.

76. Mr. Geoff Elliott, the rapporteur for the Round Table, introduced its final report [Document ITTC(X)/12 Rev.1] and reported that the delegates

for Malaysia and Indonesia had permitted it to go forward without change after initial queries regarding its substance.

77. The Delegate of Australia, Mr. Paul Sutton, introduced the draft Decision 3(X), which was derived from the Round table discussions, and embraced the agenda for achieving all trade in tropical forest products from sustainably managed forests by 2000.

**Measures in Respect of Article 42 of the International Tropical Timber Agreement, 1983 {Item 14}**

78. The Executive Director reminded Members of the discussion two years previously at the Bali Session which led to the Decision (VIII)/3 which extended the ITTA, 1983 to 31.03.1992. He then referred to Document ITTC(X)/10 and to informal consultations which led him to believe the Council envisaged an extended life for ITTO i.e. that this Session would extend the ITTA, 1983, for a final two years to 31 March 1994. There was a persistent tendency to underestimate the time taken to renegotiate new international agreements, with unfortunate results such as events overtaking the form and objective of an agreement, or a gap between expiry of one agreement and another coming into force. He urged Members to haste in commencing renegotiation, even though the first meeting of the Preparatory Committee might only be held after UNCED '92, since it could be preceded by an earlier consultation among Members. He strongly recommended the United Nations' auspices which would give authority to the re-negotiations.

79. The Delegate of Ecuador, Ing. Marco Vinueza, supported the extension of the ITTA, 1983, and suggested producer meetings to analyse the situation.

80. The Delegates for the EC, Mr. Enzo Barattini, China, Mr. Yu Shimao, and Switzerland, Dr. Christian Häberli, supported the proposed extension by two years of the ITTA, 1983, to 31 March 1994, and early renegotiation of the ITTA, 1983.

81. The Delegate of China stressed the very limited time available for renegotiation of the ITTA, 1983. It was the view of his Government that renegotiation should begin as soon as possible, and that the experiences of other international commodity agreements should be taken into account. The Chairman pointed out that other countries preferred to wait until after the UNCED meeting, and that the proposed meetings were only to discuss the ITTA, 1983.

82. The Delegate of Ecuador, His Excellency Ambassador M. Avila, as Spokesperson for the Producers, pointed out that the ITTO and the ITTA, 1983

were realities whereas the outcome of future meetings was uncertain, and moreover they were of a different nature from those of the ITTC. It was not appropriate to pre-judge the results of UNCED or any other future meetings and the producer countries saw no reason to postpone discussions.

83. The Spokesperson for the Consumers, Mr. Paul Sutton, repeated their support for Decision 4(X).

84. The Delegate of Japan, Mr. Motokatsu Watanabe, wished to make his country's statement short, and restricted his comments to the decision to extend the ITTA, 1983, for two years; Japan considered it an honour to be able to continuing hosting and supporting the Organization for the additional period.

**Annual Report for the Year 1990 {Item 15}**

85. The Executive Director delivered a summary of the major features of the Annual Report [Document ITTC(X)/2].

86. During 1990 the Republics of Colombia, Togo, and Zaire, and the Kingdom of Nepal acceded to the International Tropical Timber Agreement, 1983, bringing the total membership to 48, 22 producing members, 25 consuming members and the EC. ITTO's member countries accounted for 82 percent by area of the world's closed tropical forests and 95 percent of the value of international trade in tropical timber.

87. Dr. Freezailah recalled that the Seventh Session of the Council had elected Dr. Markku Simula (Finland) as Chairman for 1990, and Mr. Sumarsono Martosudigdo (Indonesia) as Vice-Chairman. During the year, the Council convened its Eighth Session at Denpasar, Bali, from May 16-23 and its Ninth Session in Yokohama, from 16-23 November. The Eighth Session was opened by his Excellency President Suharto of Indonesia at the Presidential Palace in Jakarta, and the Ninth Session by the new Mayor of Yokohama, H.E. Dr. Hidenobu Takahide.

88. Among the major decisions taken by the Council at the Eighth Session were the approval of the "ITTO Guidelines for the Sustainable Management of Natural Tropical Forests" and at the Ninth Session the Council received the Report on the ITTO Mission to Sarawak led by the Earl of Cranbrook and organised by ITTO in several visits between November 1989 and March 1990, approved the integrated ITTO Action Plan, and decided to establish the Expert Panel to screen project proposals for technical soundness. Council also established one Working Group to prepare "Guidelines for Management of Tropical Forest Plantations" and another to prepare a draft document on incentives to promote sustainable management of natural tropical

forests. Finally, Council decided to appoint two independent consultants to review the Project Cycle.

89. Several of the important initiatives taken by the Council during these two Sessions have come to fruition at this Session in Quito, and, in hindsight, 1990 can be viewed as a year when the Council opened major new avenues of development for the International Tropical Timber Organization. Examples include the Tenth World Forestry Congress ITTO Satellite Meetings, the Commissioning of work for the U.N. Conference on Environment and Development and the Round Table in Quito, provided yet another strong thrust towards ITTO's major target for achieving trade entirely from sustainably managed forests by the year 2000.

90. ITTO's project work accelerated during the year. Activities at the Sixth and Seventh Sessions of the Permanent Committees resulted in the approval of 39 projects in all, with 25 authorised to be financed for immediate implementation. An increasing number have been concentrated in the field of Reforestation and Forest Management - in fact 21 at these two Sessions, followed by 5 in Forest Industry and 2 in Economic Information and Market Intelligence. Additionally 10 pre-projects and other activities were also approved, so that by the close of the year the Organization had, during its short life, already financed the implementation of 67 projects costing nearly \$30 million, and 40 pre-projects with other activities costing nearly \$4 million.

91. At its Headquarters in Yokohama, the Secretariat continued to enjoy support from the Government of Japan and the City of Yokohama.

92. The Executive Director concluded his brief summary of the highlights in the ITTO Year 1990 by requesting the Council to approve the draft annual report.

93. The Delegate of Switzerland, Dr. Christian Häberli, complimented the Executive Director on the Report prepared for the Organization, but noted two errors on page 58 of the English version. This page was part of the list of Projects and Pre-Projects approved in the field of Reforestation and Forest Management. Dr. Häberli noted that the Swiss contribution to Project PD 105/90 Rev.1 (F) "Model Forest Management Areas" should have read US\$200,000 and not \$100,000. Moreover, the succeeding project PD 106/90 Rev.1 (F) "Development of the Lanjak-Entimau Wildlife Sanctuary as a Totally Protected Area", Phase I" listed a Swiss contribution of \$100,000 whereas in fact there was no such contribution. Dr. Häberli requested these corrections to be made at this Session and the Chairman agreed.

94. Dr. Häberli proceeded to a suggestion that Annex V of the Report (page 118) should include the comparative figures for the previous year when the next Annual Report was produced, and, since there were no objections, the Chairman agreed.

95. There being no further comments, the Council adopted the Draft Annual Report for 1990 as the substantive Annual Report, subject to amendments as agreed.

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

96. Members moved into closed session to be addressed by the Executive Director, and were referred to Document ITTC(X)/CRP/2. He up-dated this document by noting that Brazil had paid its complete contribution for 1990. He stressed that interest payments on arrears were due on seventeen producer and five consumer Members. About 37 percent of the total approved budget had been received. In estimating expenditures for the rest of the year the minimum necessary for efficient operation of the Secretariat had been assumed. Another US\$1.787 million were needed to finance operations until the end of this year. US\$1.153 million had now been received, and another US\$1.098 million was expected in the rest of year, which, plus interest earned, totalled US\$2.344 million. This compared with a total expected expenditure of US\$2.736 million, giving a shortfall of \$400,000.

97. The Representative of Switzerland, Dr. Christian Häberli, expressed concern over the number of Members in arrears with respect to their contribution to the Administrative Account, and enquired what action was to be taken. The Executive Director indicated that he had received encouraging letters from Ecuador, Peru, Bolivia, and Cameroon regarding their intention to eliminate arrears, in addition to the payment just received from Brazil. But other reserves include the Council-instituted reserve of \$600,000, to be used only in the event of the Organization being liquidated. However, the Organization also has additional reserve of about US\$600,000 consisting of savings from previous years' budgets and arrears contributions received in 1991, and the Executive Director requested Council to permit him to use up to a maximum of \$350,000 of this latter reserve to cover the potential shortfall.

98. The Spokesman for the Consumer's Group, Mr. Paul Sutton (Australia), expressed the consumer's concern that the Secretariat should re-double its efforts to recover not only this current year's contributions, but also arrears. Mr. Sutton continued by proposing a Consultative Finance



Committee on the budget. A formal membership was needed, and he requested the Council to ask the Secretariat to draw up terms of reference for this Committee. The Executive Director welcomed this initiative on behalf of the Secretariat, and expressed willingness to comply with the proposal. The Chairman noted that both motions (the authorization for use of the amount of \$350,000 from savings/reserves to the Administrative Budget for 1991, and the proposal to establish a Budget Committee) were passed, there being no objections.

99. The Secretariat announced additional payments to the Administrative Budget by the Government of Peru which arrived after the CRP paper had been printed.

#### Financial Resources of the Special Account {Item 17}

##### Pre-Project and Project Sub-Accounts {Items 17 a) and b)}

100. The Finance/Administrative Officer, Mr. Charas Mayura, explained the contents of the pre-project sub-account and the project sub-account {Document ITTC(X)/CRP/1}. He noted that the statement was prepared at the beginning of the Session and therefore some recent contributions e.g. the contribution by the private sector company Ito-Yokado of 50 million yen were not included.

101. The Delegate of Switzerland, Dr. Christian Häberli, noted a misplacing of the figure of \$136,000 as an "unearmarked" donation from Switzerland whereas in fact it should have been recorded in the column to the left. The Chairman acknowledged this error.

102. The Delegate of Ecuador stated that Ecuador had not received the \$30,000 recorded as an outstanding obligation on project 8 (Management Ecuador) under ITTC (IV) on page 1. Mr. Mayura replied that specific conditions had to be met in the case of each project before funds were disbursed; he noted that on page 2 also the "amount received" was the amount voluntarily contributed to the Special Account by the donor and amounts actually remitted to the executing agency were a separate issue.

103. The Delegate of Norway, Mr. Erik Børnbye, indicated that the Norwegian contributions on p.8 required clarification of targets, which he would supply in due course. However, the full commitment for PD 84/90 had in fact been paid.

##### New Contributions to the Special Account {Item 17 c)}

104. The Ambassador of Japan to Ecuador, His Excellency Mr. Kiichi Itabashi, speaking on behalf of the Government of Japan and of his delegation, stressed the multifarious uses of forests in the life of man and

applauded the concept of sustainability since it protected the interests of future generations whilst at the same time meeting the needs of the present generation. The Ambassador noted that, with the current attention devoted to tropical forests and their conservation, there was an opportunity for ITTO to perform a very important service. Japan recognised that the challenge facing ITTO was enormous, and accordingly she was now pledging 1,241,917,000 yen (about US\$9.6 mill.) to the Special Account. It would finance technically high quality projects approved by the Council.

105. The Delegate of the U.S.A., Mr. Milton Drucker, welcomed the continued Japanese support of the ITTO. He confirmed the pledge made earlier by his Government of \$1 million and that \$954,000 of this will soon be paid to the special Account to finance Projects approved by the Council.

106. The Delegate of the Netherlands, Dr. Hans Obdeyn, pledged on behalf of his Government \$170,000, earmarked and subject to the formal approval by the Netherlands authorities. Dr. Obdeyn reported that his Government hoped to be in a position to pledge more at the next Session, following progress on the Target 2000 and the Project Cycle Review.

107. The Delegate of Sweden, Mr. Eskil Lundberg, reported that his Government would co-finance Project PD 83/90 "Research and Development in Logging" to the amount of SKr 4 million. In addition, Sweden would assist with a pre-project proposed to be presented to the next Council Session.

108. The Delegate of the United Kingdom, Mr. M. Wood, noted that his Government had identified five areas for appropriate financing, three of which were the project ideas which the U.K. had submitted and had already received wide discussion during these Sessions. An announcement of the actual sum would be forthcoming.

109. The Delegate of Denmark, Mr. Bo Lidegaard, announced that unfortunately his Government could not pledge further funds owing to the fact that earlier pledges had not yet led to projects and activities being implemented. Nevertheless, his Government would certainly resume its programme of voluntary contributions to the Special Account, once present contributions had been disbursed.

110. The Delegate of Norway made a pledge of \$24,000 and referred to the statement of the Delegate of Denmark that projects were being unduly delayed in commencing. He also noted that the Second Account of the Common Fund for Commodities was now active, and that as project activities there increased, it would become difficult to persuade Norway to continue making voluntary contributions to ITTO's Special Account.

111. The Delegate of Switzerland announced the Swiss voluntary contribution, subject to approval, of \$1 million to the Special Account. The Swiss Delegation had noted with satisfaction progress on closer definitions of the Target 2000, on the reform of the project cycle, and on the contributions in cash or in kind of producer countries to projects. However, he expressed disappointment that the number of donors among consumer nations continued to be a very small "club".

112. The Delegate of Ecuador, Ing. Marco Vinueza, thanked all Delegates for their pledges, and invited them to continue supporting projects for the success of the Organization. The Chairman, on behalf of the Council and of the Organization, thanked those Delegates who had pledged voluntary contributions to the Special Account.

**Report of the Credentials Committee {Item 18}**

113. The Chairman of the Credentials Committee, Mr. H.Yamamoto (Japan), presented the Committee's Report [document ITTC(X)/13]. The Committee, composed of representatives of Bolivia, Ecuador, Denmark, Germany, Ghana, India, Japan, and the U.S.A. met on 30 May, 1991, and examined the credentials of 35 countries participating in the Tenth Session of the ITTC and the Eight Sessions of its Permanent Committees, and recommended to the Council that they be approved. The Committee also requested India to submit its Credentials as soon as possible for appropriate action by the Secretariat, and extended its appreciation to the Secretariat for its assistance in facilitating the work of the Credentials Committee at this Session. The Council approved the Committee's Report.

**Auditor's Report for 1990 {Item 19}**

114. The Auditor's Report was introduced by the Finance/Administrative Officer. He noted that the firm Price-Waterhouse had undertaken this task in February-April 1991, and submitted the report [Document ITTC(X)/5]. Under Rules of Procedure nos. 7 & 15, the Auditors examined both the Administrative and the Special Accounts of the Organization, to verify their accuracy and to determine if expenditures were made in accordance with the Rules. The Organization made available to the Auditors all necessary documents.

115. The speaker explained the organization of the Auditor's Report, which followed normal accounting conventions. He noted that the Special Reserve of the Organization was now \$600,000.

116. The Delegate of Ecuador, Mr. Federico Cruz, thanked the Secretariat for submitting the Auditor's report but noted that the correct procedure was for the Auditor's opinion to be read out verbatim to the Council. In

accordance with his request, the speaker proceeded to do this, in English since there had been inadequate time to have the Report translated [Document ITTC(X)/5]. The Delegate of Ecuador expressed dissatisfaction that the Auditor's Report was unavailable in Spanish and the Executive Director assured him it would soon be available in both French and Spanish. Council then approved the Auditor's Report for 1990.

**Dates and Venue for the Twelfth Session of the Council and the Tenth Sessions of its Permanent Committees {Item 20}**

117. The Delegate of Cameroon, Mr. Engelbert Temgoua, issued, on behalf of his Government, an invitation to the International Tropical Timber Council to hold its Twelfth Session and the Tenth Sessions of its Permanent Committees in Yaoundé, Cameroon, from 6-14 May, 1992.

118. The Delegate of Cameroon was publicly thanked for the generosity of his Government's invitation by the Delegates of Ecuador (Ing. Marco Vinuesa) and the Delegate of Germany (Dr. Gerhard Schmok) and by the assembled Council in Session. The Chairman accepted the invitation on behalf of the Council.

**Any Other Business {Item 21}**

**ITTO Mission to Sarawak, Malaysia**

119. The Delegate of Malaysia, Mr. Leo Chai, presented a Report on Sarawak. He recalled that the Ninth Session of the ITTC had supported the Mission's call for a comprehensive up-grading of the skills of the Forestry Department, for a reduction in timber harvesting to a sustainable level, thirdly to improve standards of protection in the Hill Mixed Dipterocarp forests, and fourthly to increase the Permanent Forest Estate (PFE) and Totally Protected Areas (TPA). These were welcome decisions, but many countries have remained apprehensive as to whether Sarawak would implement its commitments to these Decisions.

120. Mr. Leo Chai emphasised the need to eliminate poverty and to reduce the incidence of great economic disparity across regional and ethnic boundaries. He mentioned in particular 60,000 inhabitants in forest areas of Sarawak, and noted that drastic reductions in the timber harvest would cause serious unemployment in these areas, and these people would be forced back to the forest to resume shifting cultivation. Nevertheless, the Forest Department is now in the final stages of plans for the implementation of the harvest reduction as recommended by the ITTO Mission. It was important to consider how other sectors, especially agricultural plantation crops, could be made to harmonise with these plans.

121. The speaker, wishing to dispel confusion on the issue of Sarawak's 1990 timber harvest, noted that the Mission's estimate of the sustainable harvest level referred only to a resource comprising the PFE and those areas assigned to the PFE. The recorded 1989 harvest of 18.1 mill. m3 was produced from all areas, including production from clearance for agricultural plantations. In fact, re-logging of such areas resulted in prevention of waste, Government revenue, and an easing of pressure on the primary forest. Agricultural crop expansion was part of the State Government's policy to diversify production and employment, in order to reduce dependence on the forestry sector. In 1990 production was 18.8 mill. m3, of which 12.4 mill. were from the primary forest, thus creating a drop in the PFE's production.

122. Mr. Chai reported that by the end of 1991 the Department would have received most of the additional staff requested. He also noted that the State Government had approved one new National Park covering 37,000 ha. (1.1.'91), and three more were planned. He concluded by stating that Sarawak was committed to sustainable management of its forest resource, taking into account social, economic, and conservation needs; but Sarawak would not compromise its dignity nor Malaysia its sovereignty for any nation or any non-Governmental organization. The Delegate of Malaysia wished to put on record the gratitude of his Government to ITTO, and the Governments of Japan, Norway, Denmark, and Switzerland for supporting the projects in Sarawak.

123. The Delegate of the U.S.A., Mr. Milton Drucker, thanked the Delegate for Malaysia, noted that many Members had been waiting to hear this Report, and intimated that it was pleasing to hear of progress made since the report of the Mission was tabled before the Ninth Session of the ITTC. But the U.S.A. remained concerned, despite the need for the protection of the 60,000 people dependent on the forestry sector for their livelihoods. Increased timber production from whatever source was borrowing from the future.

124. The Delegates of Australia (Mr. Paul Sutton) and of the EC (Mr. Enzo Barattini) added their congratulations on the exercise in international cooperation of which they felt the Sarawak Mission was a good example.

#### Official Languages of ITTO

125. The Delegate of the U.S.S.R., Mr. Alexandr N. Ruskov, reminded Delegates that great changes were occurring in the political life of his country. In particular, the production of less armaments had to be complemented by the production of more of the necessities of life. Private individuals would be able to participate directly in international trade, for

example manufacturers of furniture using tropical timber. To this end, the U.S.S.R. would benefit greatly if ITTO would prepare Russian language versions of its documents, for which translations the U.S.S.R. was willing to pay.

#### General Statements

##### Statements by Non-Governmental Organizations

126. The Chairman, in resuming the Tenth Session and giving the podium to representatives of non-Governmental Organizations, noted the important role played by these organizations, but, based upon his experience of working with NGOs in his own country, the Philippines, which exceeded 400 in number, he requested the speakers to address issues pertinent to the mandate of the ITTC.

(A) Mr. Alle Stoit, Spokesperson of the Tropical Timber Trade from Europe, the U.S.A., and Japan

127. Mr. Stoit explained that he was an independent trader from the Netherlands who had been chosen by the UCBT of Europe, the IHPA of the U.S.A., and the JLIA of Japan to speak jointly on their behalf. He observed that together these groups served a market of 700 to 800 million consumers, and that the trade provided a large income for many people in developing countries. He noted that the ITTA was a commodity agreement of an unusual kind, since it took into account the need to conserve the resource base. In particular the speaker reminded his listeners that only a small fraction of tropical wood harvested was actually traded internationally, and the proportion that was used domestically was projected to grow over the next three decades in line with population.

128. Mr. Stoit stated that the importing trade was concerned about supplies of tropical timber resources over the long term, and he recalled that there was now resistance among consumers who were anxious about the future of the forests. The importing trade endeavoured to inform their customers that refusing to buy tropical timber products was a gesture, not a solution, because of the persistence of other domestic uses in producing countries. Secondly they sought to explain the complex social and economic problems facing developing countries, and in this connection they requested ITTO producer members to keep them informed of forest management developments which could be communicated to consumers. The third initiative was logically connected with ITTO's Target 2000 and the trade believed that arguments about the definition of sustainability should not hamper progress; priority should be given for ITTO activities which directly aided producer countries in their

supervision and management of forest. Mr. Stoit coined the term "forest transparency" to add to that of "market transparency" already within the objectives of the ITTA. He thought that legitimate national land-use plans over the next fifty years would lead to the loss of 0.5 to 1 billion m3 of tropical timber through land clearance, mainly for agriculture. Timber from these areas would not qualify as sustainably produced, obviously, and any labelling system would thereby lead to the loss of a large export revenue from this timber. He called for greater dialogue between ITTO and national institutions which, although non-forestry, nevertheless greatly influenced the future of the forest.

129. The speaker pointed out that the free market operated by providing a reward for each entrepreneur within the chain, and the loss to any one of these meant the cessation of the business activity. He concluded by stressing the importance of Target 2000, the Guidelines, and support for ITTO's work.

(B) Co-ordination of Indian Organizations of the Amazon Basin (COICA)

130. Mr. Evaristo Nugkuag, COICA's representative, thanked the Chairman for the opportunity to speak and explained that his organization represented five indigenous people's organizations, UNI (Brazil), CIDOC (Bolivia), CONAIE and CONFENIAE (Ecuador), ONIC (Colombia), and AIDASEP (Peru). He stated that the people most concerned with the future of the tropical forests were those indigenous to the area, and questioned his audience as to whether they would permit strangers to make decisions about the future of those living in their homes.

131. Mr. Ngkuang pointed out that indigenous people were very aware of what was happening and had already made agreements with environmentalists in developed countries. They had survived the attempts to annihilate their culture which began half a millennium ago; indeed for much longer than this, they have had their own techniques of "sustainable management". For them, the environment, human and land rights were one and the same thing. Human beings were part of the Amazon biosphere and account must be taken of their welfare.

132. The speaker questioned where the US\$8 billion he alleged was allocated to the Tropical Forestry Action Plan had been spent. Indigenous people were not opposed to development, but they wished to propose alternatives for development of the Amazon which take into account their traditional rights. They needed financial support now, and were willing to participate in any discussions. In a second speech, Mr. Ngkuang asked ITTO

to initiate a study into the effects of logging on the lives of indigenous peoples.

(C) Representative of the World Wide Fund for Nature (on behalf of environmental and conservation organizations)

133. The Representative of the World Wide Fund for Nature, Mr. Chris Elliott, prefaced his speech by stating that the intention of the environmental and conservation organizations was to be constructive, but nevertheless to express their concern that ITTO's activities are not on a scale commensurate with the problems facing tropical forests. He reinforced this concern by criticising the tendency for fruitless discussions, bargains on projects concluded without transparency, and the perceived lack of commitment by many delegations to the ITTA, 1983, the Action Plan, and the Target 2000. The producing countries' statement in Bali had been forgotten.

134. After reminding his audience of the global destruction of tropical forests, Mr. Elliott urged Members to really develop a strategy for Members' progress to Target 2000, quantified throughout with dates for implementation of guidelines, areas of forest being brought under sustainable management, and volumes of sustainably produced timber. He cited the Dutch Government's policy paper as an example of what consumers could do and the Papua New Guinea and Ghana Government's investigations into illegal timber trade practices as examples of what producers could do to promote sustainable management.

135. Mr. Elliott said that the present Session had only served to demonstrate the inadequacies of the current project cycle, and he urged a faster pace of reform, together with reduction of the project overload, in the longer term by means of a one-year project cycle. Conservation organizations were deeply concerned about the loss of genetic diversity and proposed to the timber trade self-limiting actions in respect of threatened species. On the other hand, existing policy measures in producing countries which gave an incentive to over-exploit forests should be replaced by wise packages ensuring not only incentives to sustainable management but also means to distribute gains from the trade more equitably.

136. The speaker called on the Council to pass a resolution at this Session affirming its commitment to respect the rights and means of livelihood of those dwelling in and near the forests. He cited Sarawak, which should become an example of how positive improvements in forest management practices can be rapidly implemented, but to date there was residual confusion on the level of harvest in the international community.



137. In conclusion, Mr. Elliott pleaded for more action by Members between Sessions; leaving it all to the Secretariat was unacceptable. Producers and consumers should meet between Sessions, and the NGOs stood ready to participate in such meetings. Now was the time for concerted action, and not merely words.

(D) Representative of the Trade and Industry Organizations

138. The Representative of the Trade and Industry Organizations, Mr. Arthur Morrell, highlighted the fact that at this Session traders from around the world had agreed to work together to answer problems, in contrast to the fragmentary approach of the past. The task was to ensure the continuity of progress towards Target 2000. Mr. Morrell referred to contribution likely to be made by producers and to the concern voiced earlier about interference by external agencies in domestic policy matters. Few developed countries would tolerate such interference. Partnership was preferable to policing.

139. The trade was completely opposed to "labelling", which would exclude timber from legitimate conversion forests; such timber had a proper place in satisfying demand. However, the trade would support a sound system of certification introduced at the correct time. A good start would be for producers to adopt ITTO's Guidelines for Sustainable Management and to commence working on their own national versions.

140. Mr. Morrell stated that the importing trade, and not just environmental NGOs, had a right to be considered lovers of forests and of wood. Therefore, the two held common objectives and could cooperate. The trade would play its part.

(E) Ms. Debbie Callister, Research Assistant, Trade Records Analysis of Flora and Fauna in Commerce, Inc. (TRAFFIC-OCEANIA)

141. Ms. Callister commenced by referring to the ITTO Sarawak Mission, and criticised the inadequate response to reports by some sources that the harvest in Sarawak had doubled since the Mission's Report, thus imperilling these ancient rainforests and their inhabitants. She indicated that the problem was not confined to Sarawak by adducing the example of the Chimanes, in Bolivia. She appealed to the ITTC to ensure that all future projects were developed with strict attention to the needs of local people and to adherence to the Guidelines for Sustainable Management of Natural Forests.

142. Ms. Callister then drew the meeting's attention to Government investigations which had taken place in Papua New Guinea and Ghana into

timber trade malpractices. Her organization believed such malpractices to be widespread elsewhere; however, she did not cite further evidence.

143. The speaker commended the Independent Review on the Project Cycle, but said the resulting reforms must go further and allocate more of ITTO's time to policy reform in Member countries and less to projects per se. She stated that, in order to achieve its Target 2000, ITTO must see that clear goals and a firm timetable were set for achieving sustainability, and monitoring of Members' progress towards this Target should be in a clear format. She further referred to the importance of conservation of biodiversity, use of non-wood products, agroforestry, alternative timber supplies, and lesser known species, although in the last case she was doubtful of the gains. Ms. Callister concluded by calling upon the ITTC to commission an independent review of the progress made by the ITTO.

(F) Professor Julio Cesar Centeno, University of the Andes, Caracas, Venezuela

144. Dr. Centeno spoke on behalf of Latin American NGOs. He argued that the ITTO was evading the fundamental obligations established in the ITTA, 1983.

145. The Tenth Session debated incentives for the sustainable management of tropical forests. In the NGOs opinion, the best "incentive" was to fulfill the objectives of the Agreement. In May 1990 at ITTC(VIII), in Bali, producing members submitted a statement requesting immediate and concrete measures to fulfill the basic objectives of the Agreement, but after one year of that declaration there has been no action. The same applied to the Target 2000.

146. The speaker appealed to member countries of the Amazon Cooperation Treaty to integrate their efforts to defend shared interests. He requested all the delegates of the ITTC to recognize the position of the indigenous communities living in the tropical forests, so that they could enjoy all the benefits that can be derived from the forest.

#### Decisions and Report of the Session {Item 22}

147. The texts of the draft Decisions were circulated and adopted. The Chairman requested the Secretariat to communicate the texts formally to members in accordance with the provisions of Rule 33, paragraph 1 of the Council's Rules of Procedure.

148. The Chairman also requested the Secretariat to prepare the Report of the Session and to have it circulated to members as soon as possible in

accordance with the provisions of Rule 33, paragraph 2 of the Rules of Procedure.

Closing Session

Statement by the Representative of the European Community

149. The Representative of the European Community, Mr. Enzo Barattini, described the Session as a landmark, since the agenda was composed of key issues for the international community. Mr. Barattini affirmed the Community's commitment to sustainable utilisation of tropical forests and to better co-ordination of aid, trade, and economic and environmental policies in accordance with the Houston G-7 Summit, the Dublin European Council of June 1990 and the Community's preparations for the UNCED Conference.

150. Mr. Barattini stressed the Community's concerns on the policy of incentives to encourage sustainable management, citing ITTO's Pre-Project Report PPR 22/91 ("The Conservation Status of Tropical Timbers in Trade") and urged the need for further research. He further commended the ITTO Guidelines on Sustainable Management of Natural Tropical Forests as meriting wider circulation.

151. The European Community viewed in particular Decision 3(IX), which concerned Sarawak, as of the utmost importance, despite the difficulties of implementing the recommendations. Furthermore, the European Commission was considering proposals in line with those of ITTO's 2000 Target.

152. The Delegate of the European Community, Mr. Enzo Barattini, reaffirmed the commitment of the Community and its members to the spirit of the Target 2000. Dialogue between consumers and producers had reached a high level of understanding. The Guidelines for Planted Tropical Forests were a milestone, and the working group for complementary Guidelines to Conserve Biological Diversity was an important initiative too. Mr. Barattini reiterated once more the importance attached by the Community to the Sarawak sustainable forest management issue and its resolution, especially the reported harvest levels.

153. He expressed support for the extension of the ITTA until 1994. In conclusion, he paid tribute to the Chairman, to the Host Government, and to the indefatigable spokespersons for the two ITTO members groups, the interpreters, and indeed to all contributors.

Statement by the Spokesperson of the Consumer Group

154. In the Closing Session the Spokesman for the consuming countries, Mr. Paul Sutton, Australia, expressed appreciation of the host Government's efforts, those of the Chairman of the Council, and those of the Spokesperson

for the Producers, whom he said had fostered a much less formal relationship between producers and consumers.

155. Mr. Sutton referred to greater clarity of direction for the Council Members which had developed since the Bali Session. In particular he singled out Target 2000, the Round Table, and Decision 3(X), which showed that consumer countries were prepared to accept the likelihood of some cost in moving towards sustainable management, and real and lasting benefits would flow to producer countries. The liquidation of assets into income was uneconomic and unsustainable.

156. Nevertheless, the speaker wished to mention that the consumers found the statement of the Delegate of Malaysia on Sarawak a little disappointing because more details on how sustainable management was actually to be achieved were not forthcoming. Consumers realise the transition cannot be without cost and stand ready to assist through the ITTC.

157. On another issue the consumers endorsed ITTO's participation in UNCED but asked that the papers prepared through the Secretariat should only be circulated on the understanding they had not been endorsed by Council. Meanwhile the consumers supported the forthcoming discussions on the ITTA, 1983. Finally, the consumers called on all Members to meet their commitments to the Administrative Budget.

Statement by the Spokesperson of the Producer Group

158. The Spokesperson for the Producing Countries, His Excellency Sr. Marcedo Avila, highlighted the outstanding aspects of the Tenth Session, the extension of the Agreement, the continuity of the Expert Panel, and the intention to publish project preparation manuals. The technical level of proposals had undoubtedly improved at this Session.

159. The speaker reminded his audience that, to achieve Target 2000, administrative and political decisions were not enough; resources for ecological investments were also necessary. Such investments would not be for the exclusive benefit of producing countries.

Statement By the Executive Director

160. The Executive Director delivered a closing message in which he paid tribute to the commitment of all Delegates and participants, "a thousand lights" of commitment and dedication. In solving the problems of a complex agenda, a role had been found for everyone, and thus ITTO was helped to become a body whose members exhibited a heightened sense of collective responsibility. Policy dialogue and setting of standards were hallmarks of the ITTO. He wished to recall the efforts of all those who had worked

tirelessly on the Action Plan, the various sets of Guidelines, the Round Table, the Project Cycle, the Technical Appraisal, and numerous other ITTO initiatives. On behalf of the Secretariat, he expressed gratitude for the trust of the Members. The Host Government in particular deserved our thanks, and the Executive Director made especial mention of the President of Ecuador, who had invited the Council to Quito.

Statement by the Chairman of the Council

161. The Delegate of Ecuador, His Excellency Sr. Marcelo Avila, stated that the wishes of the President of Ecuador for the success of the Session had come true. On behalf of his country, he thanked those Delegations whose Governments were supporting Ecuadorian projects, and all participants, including NGOs, whom he considered had made valuable contributions in their recommendations.

162. His Excellency expressed appreciation of the constructive spirit of the Consumers' spokesperson, the Executive Director and his Secretariat, and the Host Government, recalling that he had been personally privileged to invite the ITTC to Quito at the Bali Session.

163. The Chairman of the Council concluded the session by describing the great variety of people who had participated in this memorable meeting, all working towards a common end in the goal of sustainability of tropical forest management. He referred to his own personal experience of a second cycle of production from a forest being sustainably managed and forecast that in the distant future our descendants would gather under the dense canopies of rain forests preserved for them by their forefathers, who had been members of the ITTO family. He wished everyone a safe journey home and declared the Tenth Session closed.

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## **Annex I**

### **LIST OF PARTICIPANTS**

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

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Dist. GEN.  
ITTC(X)/Info.2/Rev.2  
6 June 1991  
English/French/Spanish

LIST OF PARTICIPANTS

TENTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
AND EIGHTH SESSIONS OF THE PERMANENT COMMITTEES

Quito, Ecuador, 29 May - 6 June 1991

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- \*\* Ing. Jaime Cardozo Sainz        Director General, Centro de Desarrollo  
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Ms. Manami Ohshima, Secretary

Ms. Patricia H. de Uyeyama, Secretary

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**Annex II**

**AGENDA**

**{ Document: ITTC(X)/1 }**

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Distr. GEN.  
ITTC(X)/1  
29 May 1991  
Original: ENGLISH

AGENDA

1. Opening of the Session:
  - a) Opening Address by the Chairman
  - b) Statement by the Executive Director
  - c) Address by the Host Government
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. Appointment of the Credentials Committee
8. Reports in Connection with Decision 6(IX):
  - a) Panel of Experts on Technical Appraisal of Project Proposals
  - b) ITTO Project Cycle Review
9. Projects:
  - a) Reports of the Eighth Sessions of the Permanent Committees
  - b) Consideration of Project Proposals and Prioritization of Projects
10. Annual Review and Assessment of the World Tropical Timber Situation
11. Report of the Working Group Established under Decision 2(IX) - "Guidelines for Management of Tropical Forest Plantations"
12. Progress Report on Preparations for the Tenth World Forestry Congress (Paris, 17-26 September, 1991) and the United Nations Conference on Environment and Development (Brazil, 1-12 June, 1992)
13. Report of the Round Table on "The Agenda for Trade in Tropical Timber from Sustainably Managed Forests by the Year 2000"
14. Measures in respect of Article 42 of the International Tropical Timber Agreement, 1983
15. Annual Report for 1990
16. Review of Contributions to the Administrative Budget

17. Financial Resources of the Special Account:

- a) Pre-Project Sub-Account
- b) Project Sub-Account
- c) New Contributions to the Special Account

18. Report of the Credentials Committee.

19. Auditor's Report for 1990.

20. Dates and Venue for the Twelfth Session of the Council and the Tenth Sessions of its Permanent Committees.

21. Any Other Business.

22. Decisions and Report of the Session.

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**Annex III**

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

**(as at the close of the Tenth Session of the Council)**

DISTRIBUTION OF VOTES

		<u>No. of Votes</u>	
		<u>1990</u>	<u>1991</u>
<u>PRODUCERS</u>			
Africa			
Cameroon .....	33	28	
Congo .....	33	28	
Côte d'Ivoire .....	33	28	
Gabon .....	33	28	
Ghana .....	33	28	
Liberia .....	32	27	
Togo .....	-	27	
Zaire .....	-	28	
Asia & Pacific			
India .....	41	38	
Indonesia .....	172	174	
Malaysia .....	149	147	
Papua New Guinea .....	34	33	
Philippines .....	38	35	
Thailand .....	24	24	
Latin America			
Bolivia .....	35	30	
Brazil .....	184	155	
Colombia .....	-	33	
Ecuador .....	25	22	
Honduras .....	20	17	
Panama .....	21	18	
Peru .....	41	35	
Trinidad and Tobago .....	19	17	
Total:		<u>1,000</u>	<u>1,000</u>
<u>CONSUMERS</u>			
Australia .....	19	19	
Austria .....	11	11	
Canada .....	16	15	
China .....	37	28	
Egypt .....	14	14	
European Economic Community			
Belgium/Luxembourg .....	28	27	
Denmark .....	12	12	
France .....	52	49	
Germany .....	48	41	
Greece .....	13	13	
Ireland .....	12	12	
Italy .....	38	39	
Netherlands .....	46	45	
Portugal .....	18	17	
Spain .....	26	25	
United Kingdom .....	65	56	
Finland .....	10	10	
Japan .....	305	335	
Nepal .....	-	10	
Norway .....	10	11	
Republic of Korea .....	84	89	
Sweden .....	11	11	
Switzerland .....	11	11	
Union of Soviet Socialist Republics .....	13	13	
United States of America .....	101	87	
Total:		<u>1,000</u>	<u>1,000</u>

**Annex IV**

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

{ Documents: ITTC(X)/14  
ITTC(X)/15  
ITTC(X)/16  
ITTC(X)/17  
ITTC(X)/18  
ITTC(X)/19 }

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Dist. GEN.  
ITTC(X)/14  
6 June 1991  
Original: ENGLISH

DECISION 1(X)

PROJECTS, PRE-PROJECTS AND ACTIVITIES

The International Tropical Timber Council,

Having considered, at its Tenth Session, the recommendations of the three Permanent Committees on Projects as contained in documents PCM(VIII)/12 Rev.1, PCF(VIII)/20 Rev.1 and PCI(VIII)/11,

1. Decides

(i) To approve the following Projects:

PD 124/91 Rev.1 (M)	Study on the Substitution of Bamboo for Tropical Timber as Raw Material in China (US\$191,300.00)
PD 158/91 Rev.1 (M)	Market Intelligence; Analysis of the Wood Flow as a Basis for an Early Warning System for the Tropical Timber Market - Phase II: Testing the System (US\$180,700.00)
PD 119/91 Rev.1 (F)	Workshop on Women and Forestry. A Look at African Experiences (US\$221,600.00)
PD 128/91 Rev.2 (F)	Management, Conservation and Development of the Mangrove Forests in Panama (US\$489,000.00)
PD 130/91 Rev.2 (F)	Plantation Establishment Methods (First Phase) (US\$780,000.00)
PD 131/91 Rev.2 (F)	Pilot Project for the Sustained Management of the So'olala Forest (US\$534,000.00)
PD 132/91 Rev.1 (F)	Training Forestry Workers in Carrying out Certain Tasks Related to Forestry (US\$161,000.00)
PD 138/91 Rev.1 (F)	Program for Sustainable Forest Management in the Ecuador Forest Institute (US\$306,440.00)
PD 139/91 Rev.2 (F)	Management Plan for the Sustained Production of Orey Forests in the Bocas del Toro Province (US\$342,300.00)

Note: ITTO contribution is shown in parentheses.

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PD 140/91 Rev.2 (F)	Management Plan for the Sustained Yield of the Production Forests of Darien (US\$677,460.00)
PD 148/91 Rev.3 (M,F,I)	Seminar on Economic Case for Sustainable Tropical Forests Management (US\$115,000.00)
PD 149/91 Rev.3 (F)	Technical Workshop to Explore Options for Global Forest Management (The Follow-Up Meeting) (US\$100,000.00)
PD 156/91 Rev.2 (F)	Establishment of Two Model Forest Nurseries and Forest Management Project (US\$211,636.00)
PD 157/91 Rev.2 (F)	The Establishment of an International Network for the Conservation and Sustainable Utilization of Mangrove Forest Genetic Resources (US\$500,000.00)
PD 159/91 Rev.2 (F)	Studies for the Regulation and Sustained Management of the Tropical Moistforests in the Provinces of Napo and Sucumbios (US\$1,161,900.00)
PD 162/91 Rev.1 (F)	Intensification of Growth and Yield Studies in Previously Logged Forest (US\$1,628,000.00)
PD 164/91 Rev.1 (F)	Native Species Reforestation as an Alternative for Conserving the Panama Canal Watershed (US\$140,000.00)
PD 94/90 Rev.3 (I)	Integration of Forest-Based Development in the Western Amazon - Phase II - Technology for Sustainable Utilization of Raw Forest Materials (US\$1,875,000.00)
PD 121/91 Rev.2 (I)	Entrepreneurship Development in the Furniture Industry (US\$118,148.00)
PD 122/91 Rev.2 (I)	Furniture Export Marketing Programme for the EEC (US\$183,000.00)
PD 123/91 Rev.2 (I)	Training Programme on Furniture Production (US\$143,500.00)
PD 133/91 Rev.2 (I)	Technological and Dendrological Study on Schinopsis (Anacardiaceae) in Chiquitania and the Bolivian Chaco (US\$129,900.00)
PD 134/91 Rev.2 (M,I)	Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase 2 (US\$183,000.00)
PD 137/91 Rev.2 (I)	Strategy for a Sustainable Wood Industry Sector in Ecuador (US\$458,504.00)

PD 143/91 Rev.1 (I)	Non-Wood Tropical Forest Products: Processing, Collection and Trade (US\$374,000.00)
PD 150/91 Rev.1 (I)	Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Sub-Region (US\$550,000.00)
PD 151/91 Rev.1 (I)	Selection of Lesser-Known Tropical Timber Species of the Andean Sub-Region for Specific End-Uses (US\$80,000.00)
PD 152/91 Rev.1 (I)	Harmonization and Promotion of Technical Tropical Timber Standards in the Andean Sub- Region (US\$316,000.00)
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 (US\$105,000.00)
PD 154/91 Rev.2 (I)	Integrated Development of Timber and Timber Product Marketing Structure in Ecuador (US\$244,000.00)
PD 155/91 Rev.1 (I)	Seminar on Sustained Forest Industry Development in the Andean Group Countries (US\$184,000.00)
PD 160/91 Rev.2 (I)	International Workshop on Improved Utilization of Timber Resources in Southeast Asia (US\$121,360.00)

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

PD 124/91 Rev.1 (M)  
PD 158/91 Rev.1 (M) - subject to formal approval  
PD 119/91 Rev.1 (F)  
PD 128/91 Rev.2 (F)  
PD 130/91 Rev.2 (F)  
PD 131/91 Rev.2 (F)  
PD 132/91 Rev.1 (F) - subject to formal approval  
PD 138/91 Rev.1 (F)  
PD 148/91 Rev.1 (M,F,I)  
PD 149/91 Rev.3 (F)  
PD 156/91 Rev.2 (F)  
PD 157/91 Rev.2 (F)  
PD 162/91 Rev.1 (F) - subject to formal approval  
PD 164/91 Rev.1 (F)  
PD 94/90 Rev.3 (I) - subject to formal approval  
PD 123/91 Rev.2 (I)  
PD 133/91 Rev.2 (I)  
PD 134/91 Rev.2 (M,I) - subject to formal approval  
PD 137/91 Rev.2 (I)  
PD 143/91 Rev.1 (I)  
PD 150/91 Rev.1 (I)

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PD 152/91 Rev.1 (I)  
PD 154/91 Rev.2 (I)  
PD 155/91 Rev.1 (I)  
PD 160/91 Rev.2 (I)

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

PD 88/90 Rev.1 (F) [US\$114,000.00]  
PD 101/90 Rev.1 (F) [US\$300,000.00]  
PD 114/90 (F) [US\$480,000.00]

- (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 139/91 Rev.2 (F)  
PD 140/91 Rev.2 (F)  
PD 159/91 Rev.2 (F)  
PD 121/91 Rev.2 (I)  
PD 122/91 Rev.2 (I)  
PD 151/91 Rev.1 (I)  
PD 153/91 Rev.1 (I)

- (v) To authorize additional funding of US\$200,000.00 for extended implementation of Project PD 73/89 (M,F,I).

- (vi) To authorize ITTO sponsorship for the following project:

PD 147/91 (F)

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

- (a) The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja (US\$ 57,000.00) [formerly PD 145/91 Rev.2 (I)]
- (b) Feasibility of a Promotion Center for Furniture Manufacturing in Ecuador (US\$30,000.00) [formerly PD 146/91 Rev.1 (I)]
- (c) Technical and Economic Feasibility of Large-Scale Construction of Wooden Houses in Brazil [PCI(VIII)/6] (US\$77,500.00)
- (d) Working Group to Formulate Guidelines on Conservation of Biological Diversity (US\$50,000.00)
- (e) Publication of Certain Reports from the Permanent Committee on Reforestation and Forest Management (US\$70,000.00)

3. Authorizes financing of the activities and Pre-Projects 2(a)-(d) above for immediate implementation, 2(d) being subject to formal approval, and authorizes financing for immediate implementation of activity 2(e) above, as soon as funds are available.

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4. Appreciates the contribution from donor countries to implement the following activities in support of Decision 3(X) on incentives:

- (a) The economic linkages between the international trade in tropical timber and the sustainable management of tropical forests [Doc.No. PCM(VIII)/10];
- (b) Forest Accounting: Continuous assessment of forest condition and management [Doc.No. PCF(VIII)/16]; and
- (c) Study of the feasibility of strengthening incentives for the management of tropical moist forest for sustainable production in a producer country [Doc.No. PCF(VIII)/17].

5. Urges Members to consider financing those approved Projects and Activities for which funds are not immediately available.

6. 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.

7. Takes note that an account had been opened in Deutsche Marks in the name of ITTO at the Deutsche Bundesbank Head Office in Frankfurt to prevent loss of financing for Project PD 74/90 (F,I), approves the opening of the said account but stipulates that this very exceptional circumstance does not create a precedent and that in future all accounts shall be maintained in accordance with Rule 9, para. 2, and Rule 10, para. 2, of the ITTO Financial Rules and Rules relating to Projects.

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INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Distr. GEN.  
ITTC(X)/15  
6 June 1991  
Original: ENGLISH

DECISION 2(X)

CONTINUATION OF THE EXPERT PANEL FOR  
TECHNICAL APPRAISAL OF PROJECT PROPOSALS AND ADJUSTMENT OF PROJECT CYCLE

The International Tropical Timber Council,

Affirming the importance of project activities as outlined in Article 23 of the ITTA.

Reaffirming the need to focus, as much as possible, project activities on the priority areas of ITTO as expressed in the ITTO Action Plans and Work Programs, including guidelines for best management practices in forestry.

Having considered Decision 6 of the Council at its Ninth Session, as well as the recommendation to the Council of the Committee of Reforestation and Forest Management, at its Sixth Session in May 1990, "...to evaluate all aspects of the Project Cycle and the mandate of the Secretariat with respect to the different stages of the Cycle and to adjust the Project Cycle wherever desirable, in order to improve the quality and relevance of the project proposals and to streamline the procedure for approval",

Reiterating the wish of Member Countries to strengthen the capacity of the Secretariat to coordinate and assist in the effective implementation of the Project Cycle,

Reaffirming the Organization's determination to pursue cooperation and coordination with other organizations in accordance with Articles 14, 23 and 26 of the Agreement.

Decides to continue the Expert Panel, previously accepted in Council DECISION 6 (IX), to assist the Secretariat in the technical appraisal of project proposals prior to their presentation to the Permanent Committees. The experts on the Panel will be appointed by the Council in accordance with the attached Terms of Reference contained in Annex 1, and will continue to function for at least two sessions of the Council.

Decides to appoint one independent consultant from a producer country and one from a consumer country to prepare for consideration by Committees and decision by the Council at the XI Session:

- a. a detailed manual for submission and approval of project ideas, pre-projects and projects for the Council, taking into consideration the Organization's rules, regulations and manuals and, where appropriate, practices in other international organizations;

/...

- b. procedures for pre-projects and projects covering identification, appraisal, approval, implementation, monitoring and evaluation, and a detailed time table for the project cycle;
- c. a detailed manual for reporting on operational and financial progress of projects;
- d. proposals to strengthen ITTO's Secretariat in order to carry out its obligations under the new project cycle.
- e. make proposals that will ensure local community participation in and consultation about project formulation, implementation, monitoring and evaluation.
- f. make proposals to take full account of environmental impacts of projects.

Decides to adopt the adjustments in the project cycle contained in Annex 2 which will come into force on July 1, 1991.

Requests the Secretariat to examine ITTO's cooperation with other international institutions, with particular attention to the Common Fund, and prepare a report for the XI Council Session.

Requests the Secretariat to prepare and submit to the Council proposals for cooperation from the Special Account to individual members, at their request, towards more effective preparation of pre-projects and project proposals, bearing in mind the continued activities under PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation".

Recognizes that this decision will require adequate financial support from the Special Account to cover the expenses in 1991 of the panel of experts.

Requests the Secretariat to prepare and submit to the next ITTC cost estimates for this activity in 1992 in order to ensure that necessary funds are in the Administrative Budget.

**ANNEX 1 - TERMS OF REFERENCE OF THE EXPERT PANEL  
FOR THE TECHNICAL APPRAISAL OF ITTO PROJECT PROPOSALS**

1. The Panel shall appraise new project proposals. It may make recommendations for adjustments to these proposals to ensure their technical soundness. The Panel shall also screen the project proposals for their relevance, on the basis of the ITTO Action Plans and Work Programs, including guidelines for best management practices in forestry approved by the ITTO, but it shall not otherwise prioritize them.
2. The Panel will convene in a producing country, selected by the Council on a rotating basis, or Yokohama. Participants will be appointed by the Council on the basis of their technical expertise, with due regard to the principles of geographic balance and rotation of Panel membership. The number of experts will be limited to twelve persons, six from producing members and six from consuming members. The appointment to the Panel shall be for a period of one year. The Council may wish to take note of the benefits of some continuity in Panel membership.
3. A brief technical report on each project proposal will be submitted by the Secretariat to the proposing Government immediately after the meeting of the Panel. The submitting Government may subsequently amend its project proposals before consideration by the Permanent Committees. The presentation should then include clarification of how the Panel's recommendations were taken into account.
4. The Panel's Time Schedule and Work Plan for 1992 shall be decided at ITTC (XI) in Yokohama.

## ANNEX 2 - ADJUSTMENTS TO THE PROJECT CYCLE

### 1. Expedited Procedure

There will be an expedited procedure for (pre-)projects of US\$ 50,000 or less when the substance and implementation of the project is non-controversial in the opinion of the Executive Director. The expedited procedure will allow the Executive Director to circulate a project to member states immediately. If no objection is received to use the expedited procedure, the project may be submitted directly to the Council for a Decision.

### 2. Sunset Provision

Approved projects which have not been funded within a validity period of 20 months, beginning with the month of the Council Session on which they were approved, may be revised and then resubmitted to the Council for decision prior to the end of the validity period for review, at the option of the submitting member state. Failing re-submission, the project will lose its status as an approved project. For approved projects for which funds have been committed, but for which implementation has not yet begun, the validity period shall be 26 months.

### 3. Project Steering Committee

There will be a Project Steering Committee for all projects in which the ITTO share is at least US\$ 400,000 and with an implementation period of greater than 24 months. The Steering Committee will generally be composed of one representative of the ITTO and at least one representative of the government or governments which implement(s) the project. As an option, a representative of the government or governments providing funds to the special account of the ITTO may choose to participate in the Committee. Project Steering Committee decisions shall be by consensus and subject to review by the Council at the option of any Permanent Committee member or members. Project Steering Committees' minutes shall be submitted, for information, to the relevant Permanent Committees.

### 4. Adjustments to Project Budgets

On the advice of the Project Steering Committee, the Executive Director may modify the ITTO contribution to the project budget by not more than US\$ 50,000 or ten percent of the ITTO contribution approved by the Council, whichever is less.

Where there is no Project Steering Committee, and upon request of the submitting member, the Executive Director will have the authority to modify the budget by US\$ 20,000 or five percent of the ITTO contribution approved by the Council, whichever is less. In case of earmarked funding, the consent of the donor country is required.

Such modifications to ITTO project contributions will be reported to the appropriate Permanent Committee.



5. Special Provisions for Operational Agreements

Project Agreements must include provisions for the Executing Agency and ITTO to recover costs that were spent on activities or materials not provided for in the agreed project document.

Project agreements must also provide for interruption of disbursement of project funds, in the event of violations of the project agreement.

In case of a dispute, UNCITRAL arbitration rules shall apply.

6. Exchanges of Information

Resources permitting, and pursuant to Article 14 of the ITTA, the ITTO shall organize a regular exchange of information with other relevant agencies, industry and non-governmental organizations on proposed operational activities and project evaluation.

7. Ex-post Evaluation

The Council may decide to carry out ex-post evaluation of a project or projects. The evaluation will be undertaken by a team composed of at least three independent persons, selected by the relevant Permanent Committee. If donor countries wish to participate as observers in the evaluation of projects (co-)financed by them, they will do so at their own expense. The Evaluation Team will report its findings to the Council through the relevant Permanent Committee. Thereupon the Secretariat will ensure that lessons learned, both positive and negative, will be available to members. They in turn will ensure that such information is widely disseminated to officials responsible for project preparation.

8. ITTO Secretariat Costs Related to Projects.

Costs to the ITTO Secretariat of monitoring and evaluation of projects shall be charged to the project budget, including remuneration and travel expenses of consultants and experts.

9. Timing of Proposal Presentation

Proposals for pre-projects and projects in excess of US\$ 50,000 shall be submitted so as to arrive at the Secretariat at least six (6) weeks in advance of each Panel meeting. Proposals for project ideas (to be limited to one page) shall be submitted to arrive at the Secretariat at least four (4) weeks before each Council Session. The Secretariat shall not circulate to the Council any proposals which do not meet these deadlines, or which do not conform to the required format.

10. Procurement Rules

General rules shall be adopted for the selection and employment of consultancy firms and individuals, and for the payment and procurement of goods and services for the project from the Special Account.

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INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Dist. GEN.  
ITTC(X)/16  
6 June 1991  
Original: ENGLISH

DECISION 3(X)

SUSTAINABLE TROPICAL FOREST MANAGEMENT AND TRADE  
IN TROPICAL TIMBER PRODUCTS

The International Tropical Timber Council,

Noting the report to the Council on the Round Table Discussion on Incentives in producer and consumer countries to promote sustainable development of tropical forests;

Recalling ITTO members' commitments to sustainable tropical forest management and trade in tropical timber products from sustainably managed forests, and to provide for activities to these ends;

Recalling the Council's expressed desire to see the development of forest management practices and regulations taking into account the ITTO Guidelines for the Sustainable Management of Tropical Forests;

Recalling ITTO members' commitments to trade in tropical timber from sustainable managed resources by the Year 2000;

Recognizing the importance of both producers' and consumers' efforts to move towards production and trade from sustainably managed tropical forests;

Decides to adopt and implement the following 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.

1. In developing and implementing this Strategy, Members are invited to:
  - a. continue to develop tropical forest practices and regulations for sustainable management of the tropical forests taking into account the ITTO Guidelines, national and local conditions;
  - b. provide to the XI Council Session a paper on their proposed progress towards the Year 2000 Target;
  - c. enhance their ability to attain the Year 2000 Target by investigating liberalized trade in tropical timber within the framework of the multilateral trading system;
  - d. confer annually on the progress towards the Year 2000 Target;

- e. support projects leading to the achievement of sustainability and the Year 2000 Target through the Special Account;
  - f. inform the ITTO by June 1995 through reviews of progress made towards achieving the Year 2000 Target;
  - g. facilitate the flow of technology that will improve the management of forests, the utilization of tropical timber and value of timber products;
  - h. consider available studies on incentives.
2. Pursuant to this Strategy, the ITTC will:
- a. encourage national strategies which include, amongst others:
    - (i) forest conservation and management;
    - (ii) appropriate economic policies for forest and timber, for example full cost forest accounting and resource pricing regimes;
    - (iii) identifying incentive schemes for attaining sustainable management of tropical forests and regarding operational steps to this effect as ITTO activities;
    - (iv) the investment of revenues from forests in: sustainable forest management; regeneration; and expansion of the forest estate through plantation development;
    - (v) the enhancement of the ability of local communities, particularly those within or near the forest, to obtain appropriate returns, and other benefits from sustainably managed forests;
  - b. undertake in 1995 a major review of progress towards the achievement of the Year 2000 Target, based on national submissions mentioned under 1(f);
  - c. suggest, in light of the 1995 review, any further measures for attaining the Year 2000 Target;
  - d. consider, at its XI Session, the conclusions and recommendations of an expert panel convened by the Executive Director to develop methods of defining and measuring sustainable tropical forest management and decide on any further initiatives to ensure the attainment of the Year 2000 Target;
  - e. convene a workshop on incentives to promote sustainable development of tropical forests as provided for in PD 82/90 (M) which will identify options for members in formulating trade policies and will be based on the guiding principles listed below.
    - (i) Monitoring by members of the international timber trade through timely and accurate information on the market, including prices.

- (ii) Improved utilization and increased value of forest products through the introduction of improved technology and management practices, making more efficient and better use of tropical forests and forest products.
  - (iii) Market mechanisms to cover the costs of sustainable management of tropical forests.
- f. undertake assessments of 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. The terms of reference and composition of this panel will be agreed at the XI Council Session.
3. In support of the implementation of the Council Strategy, the Executive Director is requested:
- a. to identify, with assistance from an expert panel, possible methods of defining general criteria for an measurement of sustainable tropical forest management and present them to the XI Council Session;
  - b. to undertake, with the assistance of an expert panel, studies to estimate the resources needed by producer countries to attain sustainability by the Year 2000 and to report on progress at each Council Session;
  - c. to assist member nations, that so request, in undertaking studies and projects which define the most appropriate incentives for sustainable forest management, taking account of the ITTO Guidelines, and trade in timber from sustainably managed resources and to report their findings and progress to Council;
  - d. to work with independent organizations, including industry associations and other non-government organizations, in developing means by which they can help Members to achieve the Year 2000 Target; and
  - e. to explore with other relevant international agencies the possibility of a joint study of the sale and pricing systems for standing timber and their contribution towards sustainable management of tropical forests.
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INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Distr. GEN.  
ITTC(X)/17  
6 June 1991  
Original: ENGLISH

DECISION 4(X)

EXTENSION OF THE INTERNATIONAL TROPICAL TIMBER  
AGREEMENT, 1983 (ITTA)

The International Tropical Timber Council,

Recalling its Decision 3(VI) by which it extended the ITTA, 1983 until 31 March 1992;

Taking note of the report of the Executive Director [document ITTC(X)/10] on Measures with Regard to Article 42 of the ITTA, 1983;

Decides to extend the ITTA, 1983 for a further period of two years with effect from 1 April 1992 until 31 March 1994;

Recognizes the need to consider how the ITTO has fulfilled the mandate of the ITTA, 1983 at its Eleventh Council Session;

Taking note of time constraints;

Notes the interest of Member Countries to have further time to discuss issues related to the ITTA, 1983.

Authorizes the Executive Director to organize meetings of Consuming and Producing Members on 5th and 6th December 1991 for exchanging views on issues relating to the ITTA, 1983.

Decides to reschedule the XI Council Session from 28 November to 4th December 1991.

Further decides that partial costs of organising the meetings and partial costs of attendance of Members may be met from earmarked voluntary contributions to the Special Account.

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INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Distr. GEN.  
ITTC(X)/18  
6 June 1991  
Original: ENGLISH

DECISION 5(X)

ITTO GUIDELINES FOR THE SUSTAINABLE MANAGEMENT  
OF PLANTED TROPICAL FORESTS

The International Tropical Timber Council,

In accordance with Article 1(h) of the ITTA,

Noting the report of the Working Group to formulate "Guidelines for Management of Tropical Forest Plantations", established in Decision 2(IX);

Further noting that, in preparing these guidelines, the Working Group was asked to pay particular attention to environmental and social as well as economic considerations, and to consider as Tropical Forest Plantations:

- (a) pure plantations and monocultures
- (b) multi-species forests
- (c) agrosilvicultural forests (including dispersed planting in and between farmlands)
- (d) afforestation on degraded land (recultivation and protection)

Further noting the recommendation of the Permanent Committee on Reforestation and Forest Management contained on Document ITTC(X)/9 Rev.1 [PCF(VIII)/4].

Decides:

- (a) to adopt the ITTO Guidelines for the Sustainable Management of Planted Tropical Forests contained in document ITTC(X)/9 Rev.1 [PCF (VIII)/4];
- (b) to commend the ITTO Guidelines as an international reference standard to Members and the international community in general as a major contribution towards the goal of sustainable utilization of tropical forest plantations and environment protection;

Requests the Executive Director to publish the document widely and promote its use throughout the international community, whilst not preventing member countries from pursuing project proposals, in accordance with the objectives of the ITTA, and, to make available US\$30.000 for this purpose.

Invites member countries to take the ITTO guidelines into account when submitting project proposals in this field.

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INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador  
29 May - 6 June 1991

Distr. GEN.  
ITTC(X)/19  
6 June 1991  
Original: English

DECISION 6(X)

ESTABLISHMENT OF A WORKING GROUP TO FORMULATE GUIDELINES  
FOR THE CONSERVATION OF BIODIVERSITY IN TROPICAL PRODUCTION FORESTS

The International Tropical Timber Council,

Taking note of the Report of the Permanent Committee on Reforestation and Forest Management its Eighth Session as contained in document PCF(VIII)/20,

Endorses the recommendation to establish and finance the work of a Working Group to formulate recommendations and principles for preparing "Guidelines for the Conservation of Biological Diversity in Production Forest";

Requests the Executive Director to arrange for the Working Group to meet before the next Council Session;

Authorizes the Executive Director to allocate necessary funds from the Administrative Budget to cover the expenses of representatives of Member Governments participating in the Working Group.

# APPENDIX I

## TERMS OF REFERENCE FOR A WORKING GROUP ON "GUIDELINES FOR THE CONSERVATION OF BIOLOGICAL DIVERSITY IN PRODUCTION FORESTS"

The Working Group will prepare a draft guideline proposal for the conservation of biodiversity in production forests, to complement the "ITTO Guidelines for the Sustainable Management of Natural Tropical Forest" and the "ITTO Guidelines for the Sustainable Management of Tropical Forest Plantations", and present this to the next Council Session.

The guidelines should describe principles for maintaining biological diversity and ecological functions in managed tropical forests. The Working Group will consider the following four ITTO documents in its deliberations:

- Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forest (PCF(VIII)/11);
- The Conservation Status of Tropical Timbers in Trade (PCM(VIII)/7);
- Conservation Concerns Relating to the Diversification of Species Extracted for Timber (PCF(VIII)/10);
- ITTO and the Conservation of Biological Diversity in Tropical Forests: Issues and Suggested Elements for an Action Plan (Draft paper commissioned by ITTO for the 1992 UNCED Conference).

The Working Group should also consider the work of other organizations in this field, particularly that which is being undertaken by FAO in the conservation of plant genetic resources.

The Working Group will consist of representatives of Producer and Consumer Members and of Environmental NGO's and International Timber Trade and UN Organizations. The Working Group will meet once to consider documentation prepared and circulated in advance by The World Conservation Union (IUCN) and draft a guideline proposal for submission to the ITTO Secretariat in time for inclusion in the agenda of the Yokohama meeting in 1991.

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**Annex V**

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

{ Documents: PCM(VIII)/12 Rev.2  
PCF(VIII)/20 Rev.1  
PCI(VIII)/11 Rev.1 }

PERMANENT COMMITTEE ON ECONOMIC INFORMATION  
AND MARKET INTELLIGENCE  
Eighth Session  
Quito, Ecuador, 29 May - 6 June 1991

Distr. GEN.  
PCM(VIII)/12 Rev.2  
6 June 1991  
Original: ENGLISH

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

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

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| Appendix C | - | Technical Evaluation of Project Proposals  |

1. Opening of the Session

The Eighth Session of the Committee was opened on 29 May 1991 at a Joint Session of all three Permanent Committees under the chairmanship of Mr. Erik Lammerts van Bueren (Netherlands). The List of Participants is reproduced in document ITTC(X)/Info.2/Rev.2.

2. Adoption of Agenda and Organization of Work

The Committee adopted the Agenda of its Eighth Session as contained in document PCM(VIII)/1 Rev.1.

3. Admission of Observers

The List of Observers admitted by the Committee is reproduced in document ITTC(X)/Info.3/Rev.2.

4. Report of the Panel of Experts for the Technical Appraisal of Project Proposals

This item was considered by the Council. The account of the Council's consideration is reported in the appropriate section of the Council's proceedings.

5. Market Review and Outlook (Market Discussion)

The 1991 Market Review was, as an exception, of one day's duration because of the Council's decision to hold a two-day Round Table on ITTO's Strategy for Sustainability 2000 closely following the Market Discussions. The schedule of the Market Discussions is attached to this Report as Appendix A. As part of the background documentation requested for the review, only 11 members submitted Country Market Statements.

The other documentation provided were the "Elements for the 1991 Annual Review and Assessment of the World Tropical Timber Situation" prepared by the Secretariat, and the worksheets which are tables prepared by the Secretariat on the basis of statistical data provided by members in their responses to the ITTO Annual Forecasting Enquiry and on the Country Market Statements.

The main theme of the discussions was: "Trends in the Trade and Tropical Timber Products in the Latin American/Caribbean Region. A key-note speaker gave an overview presentation of the topic. This generated exchange of views and other presentations focusing on perspectives in Brazil, North America and Europe.

The Market Discussions also benefitted from a host country presentation on "The Forest Resources Situation, the Developments in the Timber Trade and Industry of Ecuador".

The synthesis of the Market Discussions was reflected in the General Tropical Timber Market Statement 1991 which was considered and approved by the Committee and subsequently released to the press.

The General Tropical Timber Statement 1991 together with Summary Tables of the Tropical Timber Market Forecasts Worksheets for 1989-91 figures as Appendix B to this Report.

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

This item was integrated into the Market Discussions since the subject was closely inter-related. The document prepared by the Secretariat on this item: "Elements for the 1990 Annual Review and Assessment of the World Tropical Timber Situation" served as a working document for the discussions. The Secretariat pointed up the gaps in information needed to prepare a comprehensive report. The main cause of this, it was pointed out, was the failure of many members to comply with their obligation to provide good quality, comprehensive information and to ensure a timely response to the ITTO Annual Forecasting Enquiry and to submit the Country Market Statements requested of them.

The Joint Session was informed of the measures being taken by the Secretariat to produce a revised Annual Forecasting Enquiry which would be circulated to members as from August 1991. This revised version would simplify the responses required and facilitate a complete and timely response to the Enquiry.

Following an exchange of views on the general market situation, the Committee made recommendations to revise the text of the "Elements for the 1990 Annual Review":

- (i) The Committee recommended that each member nominate henceforth a country correspondent who would be responsible for coordinating the responses of his country to the ITTO Annual Forecasting Enquiry as well as the preparation and prompt submission of the Country Market Statements. It was noted with satisfaction that immediately following this proposal several country delegations proceeded to submit the names of their correspondents.
- (ii) The Committee further recommended that, as in previous years, the "Elements for the 1990 Annual Review" should be revised by the Secretariat in the light of comments and any updated information which were provided during the Market Discussions. The Council might also request participants to forward to the Secretariat by 1 August 1991 any other suggestions for revisions.

7. Report on Completed Projects

The Committee had before it for consideration the Report PCM(VIII)/3 prepared by the Secretariat on two completed Projects:

- (i) PD 61/89 (M) Statistical Information and Market Indicators: Study on the Trade and Market for Tropical Hardwoods in Japan

The Committee took note of the report by the Secretariat that arrangements were being made to publish this study.

- (ii) PD 14/87 (M) Market Intelligence Analysis of the Wood Flow as a Basis for an Early Warning System for Tropical Timber Market (Phase I)

A presentation of the methodology of the Study and the final conclusions was made on behalf of the executing agency by the ITTO Secretariat. It was noted that project proposals for a follow up (Phase

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2) of the Study had been made and placed before the Committee for consideration.

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

The Committee considered a Report [document PCM(VIII)/4] prepared by the Secretariat on the progress or status of projects approved for financing and implementation by the Council. An additional detailed Progress Report [document PCM(VIII)/9], prepared by the Secretariat, was placed before the Committee. The following points emerged from its consideration:

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

The Committee's discussions generally underscored the usefulness of the Market News Service (MNS). Certain Trade Associations, following their initial reservations over the usefulness of the MNS, to cooperate to improve the quality of the service in order to meet their needs. Other Trade Associations did not share this view.

The producer countries reaffirmed the value they attached to the service without which a useful source of much needed information would not be available to them. They appealed to the ITTO, therefore, to ensure the continuation of the service.

The representative of ITC referred to the increasingly wide circulation and use of the service as evidenced in the excerpts of the information which were being reproduced in several trade journals around the world.

The Committee agreed on the need for improving the quality and scope of coverage of the service. The producer members called for information on stock levels in consumer countries whilst some reservations were made by the Trade of the instability which might be caused in the market by the publication of prices in the MNS. The representatives of ITC assured the Trade that the prices quoted were merely indicative and were only produced after fairly reliable checks from authentic sources. The producers believed that the information on prices if reliably authenticated should be seen as enhancing the role of the ITTO in its efforts to improve transparency of the market.

The representative of Switzerland, a co-financing donor government, welcomed the increased acceptance of the usefulness of the service. He cautioned against overstretching the scope of coverage of the MNS. He called for continuing consultations between the ITTO, the ITC and especially the Trade in improving the quality of the service to attain its desired objective. He was concerned about the absence of prospects for making the service partially self-financing. He served notice that Switzerland would not assist in financing the extension of the service after the first phase if there was no system in place to secure partial financing of the service through subscription fees.

The Secretariat assured the representative of Switzerland that the scheme of users' subscriptions would be examined; and appealed for the continued goodwill and support of Switzerland and Sweden for the Service.

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

The Committee took note of the statement made by the representative of China that with the release of funds the project would commence soon.

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

The Committee took note of the assurance by Canada and U.S.A. to complete consultations on undertaking this study for the ITTO at no cost to the Organization.

- (iii) 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

This project is still awaiting funding. The Committee recommended to Council to allocate funds for its implementation.

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

The representative of the donor Government of Japan informed the Committee that the funds for this proposed workshop could be made available for any follow-up action to be determined by the Council on the question of Incentives, the subject of the current Round Table (31 May - 1 June 1991). The Committee welcomed the announcement.

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

The Committee took note of the arrangements under way to organize the first of the three proposed Training Workshops in Cameroon. The conduct of the workshop has been contracted out to the Institut National de la Recherche Agronomique (INRA) in Nancy, France. The project coordinator and staff have been identified and the Project Agreement is soon to be signed. The Government of Cameroon will provide support staff to assist in the organization of the workshop designed for the French-speaking ITTO member states of Africa (October 1991).

- (vi) PD 1/87 (M) Structure of Tropical Timber Markets in Belgium-Luxembourg, Federal Republic of Germany, Netherlands and United Kingdom and Methods to Study the Main End-Use Segments

The Committee noted that it needed some further information on the findings of a FAO Consultancy Study to enable it determine the status of this project. The Committee requested the Secretariat to circulate the findings of the FAO consultant's report for consideration by the Committee at its Ninth Session.

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

The Committee considered a report [document PCM(VIII)/5] prepared by the Secretariat on two completed Pre-Project Studies:

- (i) PPR 22/91 (M,F,I) Incentives on Producer and Consumer Countries to Promote Sustainable Development of Tropical Forests

The Committee noted that this Pre-Project Report was the main working document for the current Round Table on "The Agenda for Trade in Tropical Timber from Sustainably Managed Forests by the Year 2000" (Quito, 31 May - 1 June 1991). It was informed that a related Project Idea was to be introduced by the U.K. for consideration by the Committee.

- (ii) PPR 23/91 (M) Conservation Status of Tropical Timbers in Trade

The Committee heard a presentation of the findings of the study by the representative of the World Conservation Monitoring Centre, Cambridge, U.K. The Committee took note of the completion of the Report. In view of the lack of time for studying the Report, the Committee requested the Secretariat to distribute the full text of the study to all members and interested organizations to enable the Committee to consider the study more comprehensively at its Ninth Session. The Committee was further informed that proposals for a second phase of the Pre-Project Study might be submitted in due course.

#### 10. Consideration of Project Proposals and Project Ideas

##### A. Project Proposals

The Committee considered two Project Proposals submitted to it following appraisal by the newly established Panel of Experts for the Technical Appraisal of Project Proposals:

- (i) PD 124/91 Rev.1 (M) Study of the Environmental and Economic Development of Bamboo Plantation and Utilization

The Committee considered whether revisions to the original proposals suggested by the Expert Panel had been made. Following satisfactory explanation of certain aspects of the project the Committee decided to recommend to Council the approval of this revised project for immediate implementation.

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

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- (a) The Committee considered the methodology and output of the proposed study. It decided that the term "Economic Forecasting System" should replace "Early Warning System" in order to clarify the output of the proposed study for general understanding. It was emphasized that the Executing Agency, SBH, should endeavour to seek coordination with other bodies which have information to offer to expedite completion of the study.
- (b) The project output should be divided into two distinct components for evaluation purposes: market information system and economic forecasting system.
- (c) Collaboration with FAO with respect to import statistics should be encouraged, making use of Monthly Bulletin statistics.

The Committee decided to recommend the project to Council for approval and immediate implementation.

#### B. Project Ideas

The Committee, under this item, also considered three Project Ideas submitted by the U.K. It welcomed the intention of U.K. to submit appropriate Pre-Project Proposals for its consideration and decision at its Ninth Session. Other countries and international organizations indicated their readiness to cooperate with the U.K. in the development of these proposals. In particular, Ghana indicated its willingness to be a target producing country in connection with the Project Idea on Incentives. The Project Ideas are:

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

The key objectives of the study are:

- (a) To establish in detail the international trade flows in tropical timber;
- (b) To discern the underlying policies and market conditions that determine these flows;
- (c) To assess future trends in the tropical timber trade;
- (d) To analyze the nature and extent of the impact of the current trade in tropical timber on the management of tropical forests;
- (e) To evaluate whether trade policy interventions are effective instruments for directly altering the incentives for sustainable management of tropical forests;



- (f) To evaluate new trade policy measures designed for funding resource transfers in support of sustainable management initiatives in producer countries; and
  - (g) To examine the institutional aspects of these policy interventions and measures, particularly their consistency and feasibility in light of established regimes of international cooperation in international trade.
- (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 objectives of the study are:

- (a) To design a complete and coherent system of possible incentives for:
  - government and other institutions
  - commercial organizations and industries including the timber trade
  - local communities

to promote the sustainable management of the country's forest for the production of the whole range of goods and services needed from them.
- (b) To propose appropriate methods of resource transfer required to provide these incentives.

The following activities will be necessary:

- (a) Survey of current forest management practice including the constraints affecting the operation of management on the ground in both reserved and unreserved forest;
- (b) Survey of laws and regulations relating to forestry and to its interaction with agriculture and with land and tree ownership;
- (c) Survey of subsidies, taxes and traditional rights relating to forestry and agriculture;
- (d) Survey of agricultural practice in relation to tree growing and the production of forest products on agricultural land including agroforestry and tree plantations;
- (e) Survey of harvesting licences and logging practices in both reserved and non-reserved forests;
- (f) Evaluation of costs, prices and benefits in the wood chain from forest to consumer;

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- (g) Evaluation of the role of other forest products and their benefits;
- (h) Survey of forest industries, the range of products made and the quality and value of products;
- (i) Survey of the local and export timber trade;
- (j) Survey of the tree species currently used and not used and evaluation of the latter's potential for use.

From these activities the project will analyze the information obtained in order to determine the benefits obtained by institutions, commercial organizations and local communities from forests and forest products and what, if any, incentives and transfers of resources may be necessary to achieve sustainable management.

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

The objectives are:

- (a) To explore the feasibility of adopting, within the producer countries of ITTO, a system of regular forest resource accounting which takes full account of the wide responsibilities of ITTO for forest conservation and management. This would be designed to:
  - give an accurate quantitative assessment of the present condition of their forest resources;
  - provide an evaluation of the standard of management of these; and
  - indicate further target figures and quality objectives.
- (b) If such a system should prove feasible, to gain its general application by the ITTO producer countries, and, if possible, extend its use to all countries containing tropical forest.

These three Project Ideas were inter-related and had been submitted together for convenience of consideration in one Permanent Committee. Subsequently it was decided by Council that the three Project Ideas be converted to ITTO activities, in order to accelerate implementation [see Council Decision 1(X)].

11. 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.

12. Non-Project Work

- A. The Secretariat reported on efforts underway to request the Customs Cooperation Council (CCC) to re-introduce the breakdown of category 44.03 of the Harmonized System ("wood-in-the-rough") to distinguish between pulpwood, sawlogs, veneer logs and other wood, and to distinguish between tropical and non-tropical sawlogs and veneer logs. These efforts are being undertaken in collaboration with FAO. It was also recognized that in the sawnwood sector the present species classification is too narrowly based and endeavours should be made to broaden this base. Further representations should be made to the CCC on this issue.
- B. The Secretariat reported that the revised Annual Forecasting Enquiry would be sent to all members (including consumers) commencing in August 1991. Members were again urged to make every effort to complete the questionnaires accurately and promptly.
- C. Finally, the Secretariat noted the need for more coverage of secondary and higher value-added processing of tropical timbers in the Market Discussions. It indicated that an arrangement to produce an on-going supplement to the Annual Review in this area was being explored with ITC which had already done some initial research on this subject. A more detailed report on this subject would be presented at the Ninth Session of the Committee.
- D. 1992 Market Discussions  
Following consultations undertaken by the Chairman it was proposed that the 1992 Market Discussions take place for two days during the Twelfth Session of the Council and the Tenth Sessions of the Permanent Committees. The Committee also agreed on the following Theme and subjects to be considered at the Market Review in Africa:
- (a) Lesser Known Species and the Sustainable Forest Management and Trade in Tropical Timber Products
    - The African Perspective
    - The Asian Perspective
    - The Latin American/Caribbean Perspective
    - European Perspective
    - North American Perspective
  - (b) Host Country Presentation: The Forest Resources Situation, the Development in the Timber Trade and Industry of the host country for the Tenth Sessions of the Permanent Committees.

13. Dates and Venue of the Tenth Session

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

14. Any Other Business

No matters were raised under this item.

15. Recommendations to the Internatinal Tropical Timber Council

The Committee made the following recommendations:

- (i) That PD 158/91 Rev.1 (M) be approved for immediate implementation;
- (ii) That PD 124/91 Rev.1 (M) be approved for immediate implementation;
- (iii) That funds be allocated to implement PD 7a/87 Phase II Rev.1 (M);
- (iv) That the theme and subjects of the 1992 Market Review and Outlook be approved;
- (v) That the status of PD 1/87 (M) be reviewed in the light of the FAO consultant's report which will be circulated to members.

16. Report of the Session

The Committee adopted this Report for submission to the Council.

APPENDIX A

SCHEDULE OF 1991 MARKET DISCUSSIONS

Quito, Thursday 30 May 1991

Theme : Trends in the Trade of Tropical Timber Products in the Latin American/Caribbean Region

Chairman : Dr. Gary Lindell (U.S.A.), Chairman of the Permanent Committee on Economic Information and Market Intelligence

Rapporteur: Mr. Arthur V. Morrell (U.K.)

Schedule of Activities for the Market Discussion

Wednesday, 29 May 1991 - Opening Day

- a.m. - p.m. - Country Market Statements to be collected, distributed and collated by Secretariat.
- Worksheets to be prepared and displayed on boards by the Secretariat.

Thursday, 30 May 1991

- 09:00 - 09:15 Introductory Statement by the Executive Director
- 09:15 - 09:30 Brief Presentation of Country Market Statements (additions and updatings only)
- 09:30 - 10:15 - Host Country Presentation
- The Forest Resources Situation, the Developments in the Timber Trade and Industry of Ecuador.
- Speaker: Mr. Zaruat Dassum E.  
President, Timber Industries Association of Ecuador, Quito
- 10:15 - 10:45 Coffee Break
- 10:45 - 11:30 Trends in the Trade of Tropical Timber Products in the Latin American/Caribbean Region.
- Speaker: Mr. Jaime Muñoz-Reyes Navarro  
Forestry Adviser, National Chamber of Forests of Bolivia, Ministry of Rural Affairs, Agriculture & Animal Husbandry, Center for Forestry Development, La Paz, Bolivia
- 11:30 - 12:00 Brazilian Perspective
- Discussion Leader: Mr. Ivan Tomaselli  
Senior Consultant, STCP, Curitiba, Brazil

/...

- 12:00 - 12:30 North American Perspective  
Discussion Leader: Mr. Frank Sheridan  
President, Afrasian Gross  
Veneer Sales, Mineola, New  
York
- 12:30 - 13:00 European Perspective  
Discussion Leader: Dr. Geoffrey K. Elliott  
Consultant, Price and Pearce  
Ltd., Woking, Surrey
- 13:00 - 14:30 Lunch Break
- 14:30 - 15:30 - Discussions of "Elements for the 1990 Annual  
Review" (Introductory Presentation by the ITTO  
Statistician)  
- General Discussion
- 15:30 - 17:30 Drafting Committee Meeting on General Market  
Statement
- 18:00 - - Discussion and Adoption of General Market  
Statement.  
- Press Release of Statement.

APPENDIX B

GENERAL TROPICAL TIMBER MARKET STATEMENT 1991

ITTO is an effective forum to monitor trade and assess the pattern of changes in the international market and their implications for sustainable development of tropical forest resources.

The theme of the 1991 market discussions was Trends in the Trade of Tropical Timber Products in the Latin America/Caribbean Region.

The review paper [ITTC(X)/3] is the most wide ranging and on an even sounder base than previous years. This is based on data to the end of 1989. It is hoped that countries will take heed of the exhortations to provide both the forecasting review and country market statements accurately and promptly. Market transparency cannot be achieved unless this co-operation is ensured.

The figures given in last year's statement are incorrect. The revised figures are as follows:

EXPORTS FROM ITTO MEMBERS  
(units x 1 million m3)

		1990	1990	1990
		MARKET STATEMENT	MARKET FORECAST	REVISED FIGURES
LOGS	1988	22.9		25.43
	1989	20.5	24.00	25.75
SAWNWOOD	1988	9.33		9.22
	1989	9.42	10.00	9.51
PLYWOOD	1988	7.50 (EST)		8.73
		8.79 (AMENDED)		
	1989	10.00		9.56

This revision is due to the lack of prompt and accurate information from some members.

The value of exports in 1990 is likely to be about US\$8 billion, similar to the previous year. This latest figure gives an increase of 15% over 1988, not 10.5% as estimated.

Although accurate figures on value added products are unavailable, largely due to varying customs treatment in member countries, indications are that there was a marked increase in exports in 1990. This increase in value added goods illustrates the continuing desire of the producing countries

/...

to increase domestic processing in order to increase revenue and improve employment conditions and prospects for their people.

In some countries in the Asia/Pacific region export taxes are being increased to encourage consumers towards value added products and/or to generate funds to improve forest management. In Brazil quotas and taxes are being introduced for similar reasons and to preserve high quality timbers.

The move towards value added products is being followed in other regions but has been less successful in the development of markets for these products for a variety of reasons including lack of technology.

The reaction of the consumers to this change was highlighted in the presentations from the U.S.A. and Europe. The presentation on Europe highlighted the swing away from a demand-led market for tropical timber to one where the limited resources available from tropical areas will dictate the supply. The increasing local (regional) demand in tropical areas will also reduce the volume available on the international market.

It is essential that producer countries realize that the exports of value added products cannot take over the market completely. There will always be a requirement for sawnwood planed and kiln dried and used as such. The total market is therefore a mixture of machined, profiled and otherwise processed wood together with the sawnwood.

The changes in the pattern of supply will result in re-structuring of the traditional market chain. Pressure to sell value added products will particularly affect the status of the distributors/manufacturers.

It must be realized that in essence the trade is in a free market situation but tariffs and preferences particularly in their variance can cause problems and discriminate against a free flow of trade. This matter should be investigated.

On a global basis the general economic situation could only be considered turbulent. A general recession in many areas existed, influenced by the massive structural changes taking place in Eastern Europe, the Gulf War, and high inflation levels in some countries. Specifically, Japan increased its annual GNP whilst in the United States a marked recession was noted in the fourth quarter. Most EEC countries also reported reduced economic activity. In Germany there is great disparity between the two regions. In the Western part overall economic activity increased markedly in the fourth quarter. In the Eastern part the structural adjustment provided difficulties. In the Netherlands, despite a growth in manufacturing and GNP, there was a decrease in the construction sector which caused a fall in consumption leading to overstocking which had an effect on the EEC market overall.

The environmental issues continue to maintain a high profile. There is however a marked improvement towards constructive dialogue in a few countries.

In the U.K. the timber trade (through its Forest Forever Committee) and the WWF are moving towards an agreed environmental policy for timber trade



companies. In the U.K. also a new body called the Tropical Forest Forum has been formed.

This enables all those interested in tropical forest matters to meet in an endeavour to reach consensus on the way forward.

In the U.S.A. the IHPA has sponsored the Tropical Forest Foundation which includes industry, scientists, foresters and environmental NGOs in regular meetings to discuss tropical forest problems and endeavours to develop solutions. Also in the U.S.A. there are legislative proposals drafted for consideration by the U.S.A. Congress which the timber trade considers may inhibit the tropical hardwood market.

RESULTS OF THE 1990 FORECASTING ENQUIRY FOR THE ANNUAL REVIEW:

Tropical Timber Market Forecast Worksheets, 1989 - 1991

Prepared by the ITTO Secretariat.

#### SYMBOLS USED IN THIS REVIEW

NA = Not available  
.. = Not calculated due structure  
\* = ECE Timber Committee Secretariat estimates or unofficial figure  
\*/ = ITTO Secretariat estimates or unofficial figure  
m3 = Cubic meter

#### SIGNES CONVENTIONNELS UTILISES

ND = Non disponible  
.. = Non calculé  
\* = Estimations du secrétariat du Comité du bois (CEE) ou chiffres non-officiels  
\*/ = Estimations du secrétariat de l'OIBT ou chiffres non-officiels  
m3 = Mètre cube

#### SIGNOS UTILIZADOS EN ESTE DOCUMENTO

NA = No disponible  
.. = No ha sido calculado debido a la estructura  
\* = Cifras de la Comisión Económica para Europa o cifras no oficiales  
\*/ = Cifras calculadas por la Secretaría de la OIMT o cifras no oficiales  
m3 = Metros cúbicos

ITTO  
Permanent Committees  
8th SESSION

CONSUMERS  
SAWN HARDWOOD (TOTAL)  
(including boxboards)

CONSUMMATEURS  
SCIAGES FEUILLUS (TOTAL)\*  
(y compris les planches de caisserie)

WORKSHEET No. 2

(1000 m3(s))

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
	2	3	4	5	6	7	8	9	10	11	12	13
Australia	1975	1827	1773	1680	1590	1550	314	254	240	19	17	17
China	NA	NA	NA	NA	NA	NA	64	NA	NA	64	NA	NA
Japan	NA	NA	NA	2722	2691	2636	2173	1714	1649	16	23	23
Korea, Republic of	1831	1873	1911	1229	1258	1283	618	633	649	8	9	11
Nepal	33	33	33	23	23	23	10	10	10	0	0	0
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	NA	NA	NA	3179	NA	NA	107	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change b/	NA	NA	NA									
Austria a/	291	300	310	251	272	275	140	135	135	96	105	100
Belgium )	736	705	705	250	250	250	544	515	515	78	80	80
Luxembourg )				20	20	20						
Denmark *	400	400	400	400	400	400	8	8	8	8	8	8
Egypt												
Finland	95	95	95	70	70	70	42	42	42	17	17	17
France	3737	3940	3735	3860	4100	3900	565	570	565	688	730	730
Germany	2512	2729	2699	2098	2149	2149	841	962	932	383	382	382
of which :												
Former German Dem. Rep. a/*	529	529		499	499		32	32		2	2	
Germany without German Dem. Rep.	1983	2200		1599	1650		809	930		381	380	
Greece	205	197	197	168	163	163	47	43	43	10	9	9
Ireland	57	57	57	6	6	6	90	90	90	39	39	39
Italy	2375	2300	2350	1043	1050	1100	1370	1300	1300	38	30	30
Netherlands	862	872	872	260	260	260	1004	800	800	226	230	230
Norway	50	40	40	10	10	10	40	30	30	0	0	0
Portugal	287	285	285	290	290	290	50	45	45	53	50	50
Spain	1300	1385	1489	569	591	595	737	800	900	6	6	6
Sweden	250	250	250	210	210	210	88	90	90	19	20	20
Switzerland	245	290	280	195	280	270	111	90	80	61	80	70
United Kingdom	1342	1200	1150	364	375	380	987	835	775	12	15	20
ITTO EUROPE TOTAL	14744	15045	14914	10064	10496	10348	6664	6355	6350	1734	1801	1791
Volume change	..	301	-131	..	432	-148	..	-309	-5	..	67	-10
Percentage change	..	2.0	-0.9	..	4.3	-1.4	..	-4.6	-0.1	..	3.9	-0.6
Stock change b/	250	5	-7									
U.S.S.R.							106	100	75			
Canada	1414	1400	1300	1245	1200	1150	619	550	500	414	350	375
United States	16580	15800	16000	17780	17100	17400	820	600	600	2020	1900	2000
ITTO NORTH AMERICA TOTAL	17994	17200	17300	19025	18300	18550	1439	1150	1100	2434	2250	2375
Volume change	..	-794	100	..	-725	250	..	-289	-50	..	-184	125
Percentage change	..	-4.4	0.6	..	-3.8	1.4	..	-20.1	-4.3	..	-7.6	5.6

a/ Includes sleepers.

b/ Not all countries provide data.

Apparent consumption (P+I-E) minus domestic requirements.

a/ Y compris les traverses.

b/ Tous les pays ne fournissent pas les données.

Consommation apparente (P+I-E) moins besoins nationaux.

ITTO  
Permanent Committees  
8th SESSION

CONSUMERS  
SAWN HARDWOOD (TEMPERATE ZONE)  
(including boxboards)

CONSUMMATEURS  
SCIAGES FEUILLUS (REGION TEMPEREE)  
(y compris les planches de caisserie)

WORKSHEET No. 2a

(1000 m3(s))

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	1474	1391	1360	1493	1408	1377	0	0	0	19	17	17
China	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	NA	NA	NA	800	850	1030	446	427	394	16	23	23
Korea, Republic of	110	114	118	74	80	83	38	39	39	1	2	3
Nepal	0	0	0	0	0	0	0	0	0	0	0	0
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Austria a/	NA	NA	NA	NA	NA	NA	101	101	105	95	104	99
Belgium )	NA	NA	NA	NA	NA	NA	293	275	275	39	40	40
Luxembourg )				NA	NA	NA						
Denmark *	NA	NA	NA	NA	NA	NA	5	5	5	8	8	8
Egypt												
Finland	85	85	85	70	70	70	32	32	32	17	17	17
France	2722	2930	2735	3300	3540	3345	97	110	110	675	720	720
Germany	NA	NA	NA	NA	NA	NA	340	460	450	336	332	332
of which :												
Former German Dem. Rep. a/*	NA	NA		NA	NA		0	0		2	2	
Germany without German Dem. Rep.	NA	NA		NA	NA		340	460		334	330	
Greece	147	145	144	133	130	130	24	24	23	10	9	9
Ireland	NA	NA	NA	NA	NA	NA	16	16	16	39	39	39
Italy	1906	1800	1850	1043	1050	1100	901	800	800	38	30	30
Netherlands	314	322	322	190	190	190	176	195	150	53	40	40
Norway	46	36	36	10	10	10	36	26	26	0	0	0
Portugal	149	154	146	180	180	180	17	19	15	48	45	45
Spain	970	1025	1099	559	581	585	417	450	520	6	6	6
Sweden *	NA	NA	NA	NA	NA	NA	74	77	77	18	19	19
Switzerland	224	270	260	195	280	270	89	70	60	60	80	70
United Kingdom	670	617	630	349	363	370	292	285	275	9	11	15
ITTO EUROPE TOTAL	NA	NA	NA	NA	NA	NA	2910	2945	2939	1451	1500	1489
Volume change	..	NA	NA	..	NA	NA	..	35	-6	..	49	-11
Percentage change	..	NA	NA	..	NA	NA	..	1.2	-0.2	..	3.4	-0.7
U.S.S.R.							0	0	0			
Canada												
United States							550			2000		
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												

a/ Includes sleepers.

a/ Y compris les traverses.

ITTO  
Permanent Committees  
8th SESSION

CONSUMERS  
SAWN HARDWOOD (TROPICAL ZONE)  
(including boxboards)

CONSUMMATEURS  
SCIAGES FEUILLUS (REGION TROPICALE)  
(y compris les planches de caisserie)

WORKSHEET No. 2b

(1000 m3(s))

Country	Domestic requirements Besoins nationaux			Production a/			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	501	436	413	187	182	173	314	254	240	0	0	0
China	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	NA	NA	NA	1922	1841	1606	1727	1287	1255	0	0	0
Korea, Republic of	1721	1759	1793	1155	1178	1200	580	594	610	7	7	8
Nepal	33	33	33	23	23	23	10	10	10	0	0	0
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Austria b/	NA	NA	NA	NA	NA	NA	39	34	30	1	1	1
Belgium )	NA	NA	NA	NA	NA	NA	251	240	240	39	40	40
Luxembourg )				NA	NA	NA						
Denmark *	NA	NA	NA	NA	NA	NA	3	3	3	0	0	0
Egypt												
Finland	10	10	10	0	0	0	10	10	10	0	0	0
France	1015	1010	1000	560	560	555	468	460	455	13	10	10
Germany	NA	NA	NA	NA	NA	NA	501	502	482	47	50	50
of which :												
Former German Dem. Rep. b/*	NA	NA		NA	NA		32	32		0	0	
Germany without German Dem. Rep.	NA	NA		NA	NA		469	470		47	50	
Greece	58	52	53	35	33	33	23	19	20	0	0	0
Ireland	NA	NA	NA	NA	NA	NA	74	74	74	0	0	0
Italy	469	500	500	0	0	0	469	500	500	0	0	0
Netherlands	548	550	550	70	70	70	821	650	650	173	150	190
Norway	4	4	4	0	0	0	4	4	4	0	0	0
Portugal	138	131	139	110	110	110	33	26	30	5	5	5
Spain	330	360	390	10	10	10	320	350	380	0	0	0
Sweden *	NA	NA	NA	NA	NA	NA	14	13	13	1	1	1
Switzerland	21	20	20	0	0	0	22	20	20	1	0	0
United Kingdom	672	583	520	15	12	10	695	550	500	3	4	5
ITTO EUROPE TOTAL	NA	NA	NA	NA	NA	NA	3747	3455	3411	283	261	302
Volume change	..	NA	NA	..	NA	NA	..	-292	-44	..	-22	41
Percentage change	..	NA	NA	..	NA	NA	..	-7.8	-1.3	..	-7.8	15.7
U.S.S.R.							106	100	75			
Canada												
United States							270			20		
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												

a/ From imported tropical zone sawlogs.  
b/ Includes sleepers.

a/ A partir de grumes importées de la région tropicale.  
b/ Y compris les traverses.

ITTO  
Permanent Committees  
8th SESSION

CONSUMERS  
HARDWOOD LOGS

CONSUMMATEURS  
GRUMES DE FEUILLUS

WORKSHEET No. 3

(1000 m3(r))

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	4523	4280	4171	4523	4280	4171	0	0	0	0	0	0
China	NA	NA	NA	NA	NA	NA	292	NA	NA	104	NA	NA
Japan	16150	14572	13622	2284	2257	2122	13869	12317	11502	3	2	2
Korea, Republic of	3770	3864	3961	13	14	15	3773	3867	3964	0	0	0
Nepal	NA	NA	NA	NA	NA	NA	0	0	0	0	0	0
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	NA	NA	NA	17934	NA	NA	107	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									
Austria	382	410	420	465	474	485	69	80	80	139	145	145
Belgium )	859	835	835	725	720	720	308	280	280	249	240	240
Luxembourg )				75	75	75						
Denmark *	353	353	353	353	353	353	0	0	0	0	0	0
Egypt												
Finland	1424	1524	1509	1383	1526	1450	36	44	61	2	3	3
France	9802	10810	9750	10500	11600	10500	1041	1060	1050	1739	1850	1800
Germany	4597	4735	4675	4186	4275	4275	847	810	790	387	350	350
of which :												
Former German Dem. Rep. *	772	775		872	875		60	60		160	160	
Germany without German Dem. Rep.	3825	3960		3314	3400		787	750		227	190	
Greece	390	389	383	237	225	240	159	170	170	6	6	6
Ireland	46	46	46	50	50	50	1	1	1	5	5	5
Italy	2595	2440	2440	569	600	600	2033	1850	1850	7	10	10
Netherlands	403	400	400	190	190	190	331	260	260	96	95	95
Norway	19	20	20	25	26	26	0	0	0	6	6	6
Portugal	692	680	690	200	200	200	502	490	500	10	10	10
Spain	2177	2112	2119	990	1027	1034	1202	1100	1100	15	15	15
Sweden	450	450	450	500	500	500	20	20	20	70	70	70
Switzerland	261	270	260	400	470	400	117	100	110	256	300	250
United Kingdom	681	727	748	649	700	725	47	42	38	15	15	15
ITTO EUROPE TOTAL	25131	26201	25098	21497	23011	21823	6713	6307	6310	3002	3120	3020
Volume change	..	1070	-1103	..	1514	-1188	..	-406	3	..	118	-100
Percentage change	..	4.3	-4.2	..	7.0	-5.2	..	-6.0	0.0	..	3.9	-3.2
Stock change a/	77	-3	15									
U.S.S.R.							156	143	100			
Canada							713	400	350	134	100	100
United States	37700	36300	36900	38600	37100	37700	80	100	100	980	900	900
ITTO NORTH AMERICA TOTAL							793	500	450	1114	1000	1000
Volume change							..	-293	-50	..	-114	0
Percentage change							..	-36.9	-10.0	..	-10.2	0.0

a/ Not all countries provide data.  
Apparent consumption (P+I-E) minus domestic requirements.

a/ Tous les pays ne fournissent pas les données.  
Consommation apparente (P+I-E) moins besoins nationaux.

ITTO  
Permanent Committees  
8th SESSION

CONSUMERS  
HARDWOOD LOGS

CONSUMMATEURS  
GRUMES DE FEUILLUS

WORKSHEET No. 3a

(1000 m3(r))

Country	TEMPERATE-ZONE WOOD - BOIS DES REGIONS TEMPEREES						TROPICAL-ZONE WOOD - BOIS DES REGIONS TROPICALES					
	Imports - Importations			Exports - Exportations			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	0	0	0	0	0	0	0	0	0	0	0	0
China	231	NA	NA	88	NA	NA	61	NA	NA	17	NA	NA
Japan	1055	998	861	3	2	2	12814	11319	10641	0	0	0
Korea, Republic of	133	136	139	0	0	0	3640	3731	3825	0	0	0
Nepal	0	0	0	0	0	0	0	0	0	0	0	0
ITTO ASIA & PACIFIC TOTAL	1419	NA	NA	91	NA	NA	16515	NA	NA	17	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Austria	65	77	78	139	145	145	4	3	2	0	0	0
Belgium )	244	230	230	234	225	225	64	50	50	15	15	15
Luxembourg )												
Denmark *	0	0	0	0	0	0	0	0	0	0	0	0
Egypt												
Finland	36	44	61	2	3	3	0	0	0	0	0	0
France	110	110	110	1734	1845	1795	931	950	940	5	5	5
Germany	425	410	420	360	330	330	422	400	370	27	20	20
of which :												
Former German Dem. Rep. *	10	10		160	160		50	50		0	0	
Germany without German Dem. Rep.	415	400		200	170		372	350		27	20	
Greece	32	43	43	5	5	5	127	127	127	1	1	1
Ireland	1	1	1	5	5	5	0	0	0	0	0	0
Italy	1296	1100	1100	3	10	10	737	750	750	4	0	0
Netherlands	173	135	135	77	83	83	158	125	125	19	12	12
Norway	0	0	0	6	6	6	0	0	0	0	0	0
Portugal	101	110	110	0	0	0	401	380	390	10	10	10
Spain	619	550	600	15	15	15	583	550	500	0	0	0
Sweden	16	16	16	70	70	70	4	4	4	0	0	0
Switzerland	100	80	90	256	300	250	17	20	20	0	0	0
United Kingdom	5	5	5	12	12	12	42	37	33	3	3	3
ITTO EUROPE TOTAL	3223	2911	2999	2918	3054	2954	3490	3396	3311	84	66	66
Volume change	..	-312	88	..	136	-100	..	-94	-85	..	-18	0
Percentage change	..	-9.7	3.0	..	4.7	-3.3	..	-2.7	-2.5	..	-21.4	0.0
U.S.S.R.	0	0	0				156	143	100			
Canada												
United States	50			970			30			10		
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												



ITTO  
Permanent Committees  
8th SESSION

CONSUMERS  
PLYWOOD a/

CONSUMMATEURS  
CONTREPLAQUES a/

WORKSHEET No. 5

(1000 m3)

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	213	174	154	130	125	106	85	51	50	2	2	2
China	1479	NA	NA	728	NA	NA	762	NA	NA	10	NA	NA
Japan	NA	NA	NA	6707	6713	6200	3098	2868	2500	16	16	14
Korea, Republic of	1465	1717	1758	1180	1363	1398	589	641	645	134	117	115
Nepal	4	5	5	1	1	1	3	4	4	0	0	0
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	8746	NA	NA	4536	NA	NA	162	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change b/	NA	NA	NA									
Austria	64	70	85	111	120	140	58	60	60	105	110	115
Belgium-Luxembourg	245	215	215	65	65	65	325	300	300	145	150	150
Bulgaria	48	48	48	51	51	51	0	0	0	3	3	3
Denmark *	134	134	134	30	30	30	173	173	173	69	69	69
Egypt												
Finland	123	115	110	622	617	605	12	15	15	511	517	510
France	673	720	730	512	530	550	370	410	410	209	220	230
Germany	992	1125	1065	439	448	453	671	767	692	108	90	80
of which :												
Former German Dem. Rep. *	75	75		33	33		42	42		0	0	
Germany without German Dem. Rep.	917	1050		406	415		629	725		108	90	
Greece	77	79	78	90	95	95	6	6	6	19	22	23
Ireland	40	40	40	0	0	0	46	46	46	6	6	6
Italy	478	470	460	450	450	450	188	180	180	160	160	170
Netherlands	612	619	576	14	14	14	578	646	612	50	50	50
Norway	60	62	62	7	7	7	54	60	60	1	5	5
Portugal	24	29	30	24	29	30	2	0	0	2	0	0
Spain	126	125	125	150	145	145	20	20	20	44	40	40
Sweden	214	231	240	68	70	95	162	181	170	17	20	25
Switzerland	160	150	150	24	30	30	149	130	130	13	10	10
United Kingdom	1425	1270	1160	17	15	15	1422	1325	1125	20	25	30
ITTO EUROPE TOTAL	5495	5502	5308	2674	2716	2775	4236	4319	3999	1482	1497	1516
Volume change	..	7	-194	..	42	59	..	83	-320	..	15	19
Percentage change	..	0.1	-3.5	..	1.6	2.2	..	2.0	-7.4	..	1.0	1.3
Stock change b/	-67	36	-50									
U.S.S.R.	1907	1946	1941	2298	2329	2324	28	25	17	419	408	400
Canada	1970	1835	1775	2165	2000	1950	135	135	115	310	300	300
United States	20210	20500	21900	19800	20700	22000	1790	1500	1600	1380	1700	1700
ITTO NORTH AMERICA TOTAL	22180	22335	23675	21965	22700	23950	1925	1635	1715	1690	2000	2000
Volume change	..	155	1340	..	735	1250	..	-290	80	..	310	0
Percentage change	..	0.7	6.0	..	3.3	5.5	..	-15.1	4.9	..	18.3	0.0

a/ Veneer and core plywood.

b/ Not all countries provide data.

Apparent consumption (P+I-E) minus domestic requirements.

a/ Contreplaques à âme et à plis.

b/ Tous les pays ne fournissent pas les données.

Consommation apparente (P+I-E) moins besoins na

ITTO  
Permanent Committees  
8th SESSION

PRODUCERS  
SAWN HARDWOOD (TOTAL)  
(including boxboards)

PRODUCTEURS  
SCIAGES FEUILLUS (TOTAL)  
(y compris les planches de caisserie)

WORKSHEET No. 2

(1000 m3(s))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	312	306	308	413	458	478	0	0	0	102	162	170
Congo	23	39	41	46	63	64	0	0	0	23	23	23
Cote d'Ivoire	313	318	318	800	846	848	0	0	0	487	550	595
Gabon */	105	NA	NA	106	NA	NA	0	NA	NA	1	NA	NA
Ghana	283	162	160	437	362	420	0	0	0	154	200	260
Liberia */	286	NA	NA	311	NA	NA	0	NA	NA	25	NA	NA
Togo */	5	NA	NA	5	NA	NA	0	NA	NA	0	NA	NA
Zaire */	98	NA	NA	121	NA	NA	0	NA	NA	23	NA	NA
ITTO AFRICA TOTAL	1425	NA	NA	2240	NA	NA	0	NA	NA	814	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									
India */	14837	NA	NA	14834	NA	NA	5	NA	NA	2	NA	NA
Indonesia	7854	8620	NA	10546	8632	NA	0	0	NA	2692	12	NA
Malaysia	2757	NA	NA	7660	NA	NA	197	109	200	5100	5000	5000
Papua New Guinea */	115	NA	NA	118	NA	NA	0	NA	NA	3	NA	NA
Philippines	549	893	968	975	953	953	12	15	15	438	75	0
Thailand */	1874	NA	NA	1160	NA	NA	744	NA	NA	30	NA	NA
ITTO ASIA & PACIFIC TOTAL	27986	NA	NA	35293	NA	NA	958	NA	NA	8265	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									
Bolivia */	26	NA	NA	91	NA	NA	0	NA	NA	65	NA	NA
Brazil */	8055	NA	NA	8300	NA	NA	100	NA	NA	345	NA	NA
Colombia */	682	NA	NA	680	NA	NA	3	NA	NA	1	NA	NA
Ecuador	600	600	NA	600	600	NA	0	0	NA	0	0	NA
Honduras */	23	NA	NA	23	NA	NA	0	NA	NA	0	NA	NA
Panama	NA	NA	NA	NA	NA	NA	52	59	83	0	0	0
Peru	21	4	NA	23	14	NA	0	0	NA	2	10	NA
Trinidad & Tobago	NA	NA	NA	23	NA	NA	12	NA	NA	80	NA	NA
ITTO LATIN AMERICA TOTAL	NA	NA	NA	NA	NA	NA	167	NA	NA	494	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									

a/ Not all countries provide data.

a/ Tous les pays ne fournissent pas les données.

ITTO  
Permanent Committees  
8th SESSION

PRODUCERS  
SAWN HARDWOOD (TEMPERATE ZONE)  
(including boxboards)

PRODUCEURS  
SCIAGES FEUILLUS (REGION TEMPEREE)  
(y compris les planches de caisserie)

WORKSHEET No. 2a

(1000 m3(s))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	0	0	0	0	0	0	0	0	0	0	0	0
Congo	0	0	0	0	0	0	0	0	0	0	0	0
Cote d'Ivoire	0	0	0	0	0	0	0	0	0	0	0	0
Gabon */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Ghana	0	0	0	0	0	0	0	0	0	0	0	0
Liberia */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Togo */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Zaire */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
ITTO AFRICA TOTAL	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
India */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Indonesia	0	0	NA	0	0	NA	0	0	NA	0	0	NA
Malaysia	0	NA	NA	0	NA	NA	0	0	0	0	0	0
Papua New Guinea */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Philippines	0	0	0	0	0	0	0	0	0	0	0	0
Thailand */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
ITTO ASIA & PACIFIC TOTAL	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Bolivia */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Brazil */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Colombia */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Ecuador	0	0	NA	0	0	NA	0	0	NA	0	0	NA
Honduras */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Panama	NA	NA	NA	NA	NA	NA	0	0	0	0	0	0
Peru	0	0	NA	0	0	NA	0	0	NA	0	0	NA
Trinidad & Tobago	NA	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
ITTO LATIN AMERICA TOTAL	NA	NA	NA	NA	NA	NA	0	NA	NA	0	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA

ITTO  
Permanent Committees  
8th SESSION

PRODUCERS  
SAWN HARDWOOD (TROPICAL ZONE)  
(including boxboards)

PRODUCTEURS  
SCIAGES FEUILLUS (REGION TROPICALE)  
(y compris les planches de calserie)

WORKSHEET No. 2b

(1000 m3(s))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	312	306	308	413	468	478	0	0	0	102	162	170
Congo	23	39	41	46	63	64	0	0	0	23	23	23
Cote d'Ivoire	313	318	318	800	846	848	0	0	0	487	550	595
Gabon */	105	NA	NA	106	NA	NA	0	NA	NA	1	NA	NA
Ghana	283	162	160	437	362	420	0	0	0	154	200	260
Liberia */	286	NA	NA	311	NA	NA	0	NA	NA	25	NA	NA
Togo */	5	NA	NA	5	NA	NA	0	NA	NA	0	NA	NA
Zaire */	98	NA	NA	121	NA	NA	0	NA	NA	23	NA	NA
ITTO AFRICA TOTAL	1425	NA	NA	1780	NA	NA	0	NA	NA	690	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
India */	14837	NA	NA	14834	NA	NA	5	NA	NA	2	NA	NA
Indonesia	7854	8620	NA	10546	8632	NA	0	0	NA	2692	12	NA
Malaysia	2757	NA	NA	7660	NA	NA	197	109	200	5100	5000	5000
Papua New Guinea */	115	NA	NA	118	NA	NA	0	NA	NA	3	NA	NA
Philippines	549	893	968	975	953	953	12	15	15	438	75	0
Thailand */	1874	NA	NA	1160	NA	NA	744	NA	NA	30	NA	NA
ITTO ASIA & PACIFIC TOTAL	27986	NA	NA	35293	NA	NA	958	NA	NA	8265	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Bolivia */	26	NA	NA	91	NA	NA	0	NA	NA	65	NA	NA
Brazil */	8055	NA	NA	8300	NA	NA	100	NA	NA	345	NA	NA
Colombia */	682	NA	NA	680	NA	NA	3	NA	NA	1	NA	NA
Ecuador	600	600	NA	600	600	NA	0	0	NA	0	0	NA
Honduras */	23	NA	NA	23	NA	NA	0	NA	NA	0	NA	NA
Panama	NA	NA	NA	NA	NA	NA	52	59	83	0	0	0
Peru	21	4	NA	23	14	NA	0	0	NA	2	10	NA
Trinidad & Tobago	NA	NA	NA	23	NA	NA	12	NA	NA	80	NA	NA
ITTO LATIN AMERICA TOTAL	NA	NA	NA	NA	NA	NA	167	NA	NA	494	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA

ITTO  
Permanent Committees  
8th SESSION

PRODUCERS  
HARDWOOD LOGS

PRODUCTEURS  
GRUPES DE FEUILLUS

WORKSHEET No. 3

(1000 m3(r))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	1360	1665	1800	2122	2476	2600	0	0	0	761	811	800
Congo	366	495	517	809	825	862	0	0	0	443	330	345
Cote d'Ivoire	2000	2000	2000	2491	2450	2400	0	0	0	491	450	400
Gabon */	309	NA	NA	1222	NA	NA	0	NA	NA	913	NA	NA
Ghana	795	1145	880	996	1304	1100	0	0	0	201	159	220
Liberia */	307	NA	NA	1008	NA	NA	0	NA	NA	701	NA	NA
Togo */	18	NA	NA	18	NA	NA	0	NA	NA	0	NA	NA
Zaire */	263	NA	NA	380	NA	NA	0	NA	NA	117	NA	NA
ITTO AFRICA TOTAL	5419	NA	NA	9046	NA	NA	0	NA	NA	3627	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									
India */	16646	NA	NA	15812	NA	NA	895	NA	NA	61	NA	NA
Indonesia	23684	20177	NA	23684	20177	NA	0	0	NA	0	0	NA
Malaysia	17810	NA	NA	38900	NA	NA	10	56	100	21100	18300	16800
Papua New Guinea */	440	NA	NA	1700	NA	NA	0	NA	NA	1260	NA	NA
Philippines	3161	3534	3534	2773	3190	3190	394	350	350	6	6	6
Thailand */	2905	NA	NA	1770	NA	NA	1135	NA	NA	0	NA	NA
ITTO ASIA & PACIFIC TOTAL	64646	NA	NA	84639	NA	NA	2434	NA	NA	22427	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									
Bolivia */	243	NA	NA	243	NA	NA	0	NA	NA	0	NA	NA
Brazil */	27300	NA	NA	27200	NA	NA	100	NA	NA	0	NA	NA
Colombia */	1900	NA	NA	1900	NA	NA	0	NA	NA	0	NA	NA
Ecuador	20	20	NA	100	100	NA	0	0	NA	80	80	NA
Honduras */	51	NA	NA	51	NA	NA	0	NA	NA	0	NA	NA
Panama	NA	NA	NA	NA	NA	NA	11	16	20	1	2	2
Peru	44	27	NA	44	27	NA	0	1	NA	0	0	NA
Trinidad & Tobago	46	NA	NA	43	NA	NA	3	NA	NA	0	NA	NA
ITTO LATIN AMERICA TOTAL	NA	NA	NA	NA	NA	NA	114	NA	NA	81	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change a/	NA	NA	NA									

a/ Not all countries provide data.

a/ Tous les pays ne fournissent pas les données.

/...

ITTO  
Permanent Committees  
8th SESSION

PRODUCERS  
HARDWOOD LOGS

PRODUCTEURS  
GRUMES DE FEUILLUS

Worksheet No. 3a

(1000 m3(r))

	TEMPERATE-ZONE WOOD - BOIS DES REGIONS TEMPEREES						TROPICAL-ZONE WOOD - BOIS DES REGIONS TROPICALES					
Country	Imports - Importations			Exports - Exportations			Imports - Importations			Exports - Exportations		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	0	0	0	0	0	0	0	0	0	761	811	800
Congo	0	0	0	0	0	0	0	0	0	443	330	345
Cote d'Ivoire	0	0	0	0	0	0	0	0	0	491	450	400
Gabon */	0	NA	NA	0	NA	NA	0	NA	NA	913	NA	NA
Ghana	0	0	0	0	0	0	0	0	0	201	159	220
Liberia */	0	NA	NA	0	NA	NA	0	NA	NA	701	NA	NA
Togo */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Zaire */	0	NA	NA	0	NA	NA	0	NA	NA	117	NA	NA
ITTO AFRICA TOTAL	0	NA	NA	0	NA	NA	0	NA	NA	3627	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
India */	0	NA	NA	0	NA	NA	895	NA	NA	61	NA	NA
Indonesia	0	0	NA	0	0	NA	0	0	NA	0	0	NA
Malaysia	0	0	0	0	0	0	10	56	100	21100	18300	16800
Papua New Guinea */	0	NA	NA	0	NA	NA	0	NA	NA	1260	NA	NA
Philippines	0	0	0	0	0	0	394	350	350	6	6	6
Thailand */	0	NA	NA	0	NA	NA	1135	NA	NA	0	NA	NA
ITTO ASIA & PACIFIC TOTAL	0	NA	NA	0	NA	NA	2434	NA	NA	22427	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Bolivia */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Brazil */	0	NA	NA	0	NA	NA	100	NA	NA	0	NA	NA
Colombia */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Ecuador	0	0	NA	0	0	NA	0	0	NA	80	80	NA
Honduras */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Panama	0	0	0	0	0	0	11	16	20	1	2	2
Peru	0	0	NA	0	0	NA	0	1	NA	0	0	NA
Trinidad & Tobago	0	NA	NA	0	NA	NA	3	NA	NA	0	NA	NA
ITTO LATIN AMERICA TOTAL	0	NA	NA	0	NA	NA	114	NA	NA	81	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA

ITTO  
Permanent Committees  
8th SESSION

PRODUCERS  
PLYWOOD a/

PRODUCTEURS  
CONTREPLAQUES a/

WORKSHEET No. 5

(1000 m3)

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	NA	NA	NA	NA	NA	NA	0	0	0	NA	NA	NA
Congo	2	6	7	2	6	7	0	0	0	0	0	0
Cote d'Ivoire	35	33	29	53	55	55	0	0	0	18	22	26
Gabon */	85	NA	NA	131	NA	NA	0	NA	NA	46	NA	NA
Ghana	21	25	31	22	27	35	0	0	0	1	2	4
Liberia */	2	NA	NA	3	NA	NA	0	NA	NA	1	NA	NA
Togo */	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Zaire */	20	NA	NA	19	NA	NA	1	NA	NA	0	NA	NA
ITTO AFRICA TOTAL	NA	NA	NA	NA	NA	NA	1	NA	NA	NA	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change b/	NA	NA	NA									
India */	356	NA	NA	360	NA	NA	2	NA	NA	6	NA	NA
Indonesia	460	450	NA	8500	8700	NA	0	0	NA	8040	8250	NA
Malaysia	101	NA	NA	1001	NA	NA	15	20	30	915	942	1000
Papua New Guinea */	18	NA	NA	18	NA	NA	0	NA	NA	0	NA	NA
Philippines	228	367	367	405	547	547	3	0	0	180	180	180
Thailand */	154	NA	NA	185	NA	NA	4	NA	NA	35	NA	NA
ITTO ASIA & PACIFIC TOTAL	1317	NA	NA	10469	NA	NA	24	NA	NA	9176	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change b/	0	NA	NA									
Bolivia */	1	NA	NA	2	NA	NA	0	NA	NA	1	NA	NA
Brazil */	910	NA	NA	1260	NA	NA	0	NA	NA	350	NA	NA
Colombia */	35	NA	NA	37	NA	NA	3	NA	NA	5	NA	NA
Ecuador	65	65	NA	140	140	NA	0	0	NA	75	75	NA
Honduras */	13	NA	NA	10	NA	NA	3	NA	NA	0	NA	NA
Panama	11	14	16	8	11	11	3	4	5	0	0	0
Peru	25	15	NA	25	15	NA	0	1	NA	0	0	NA
Trinidad & Tobago	27	NA	NA	0	NA	NA	29	NA	NA	1	NA	NA
ITTO LATIN AMERICA TOTAL	1087	NA	NA	1482	NA	NA	38	NA	NA	433	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change b/	0	NA	NA									

a/ Veneer and core plywood.

b/ Not all countries provide data.

a/ Contreplaques à âme et à plis.

b/ Tous les pays ne fournissent pas les données.

/...

# APPENDIX C

## TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF ECONOMIC INFORMATION AND MARKET INTELLIGENCE

PROJECT DOCUMENT	ITTA OBJECTIVES Article 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art.23 Para.2	Art.23 Para.5					
PD 124/91 Rev.1 (M)	h		a,b,c,d,e	a,b,c,d,e	191,300	2 years	China, other bamboo producing regions	4
PD 158/91 Rev.1 (M)	b,d,e,g		a,b	a,b,c,d,e	180,700	1 year	Western Europe	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.

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COMMITTEE ON REFORESTATION AND  
FOREST MANAGEMENT  
Eighth Session  
Quito, Ecuador, 29 May - 6 June 1991

Dist. GEN.  
PCF(VIII)/20 Rev.1  
6 June 1991  
Original: ENGLISH

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
EIGHTH SESSION OF THE PERMANENT COMMITTEE ON  
REFORESTATION AND FOREST MANAGEMENT  
29 MAY 1991 - 6 JUNE 1991

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Appendix I	Technical Assessment of Project Proposals
Appendix 11	Text of a Recommendation to the Council re adoption of the Report of the Working Group on Man-Made Forests
Appendix 111	Memorandum of Agreement re the Interim Management of Project - PD 34/88

## REPORT

### 1. Introduction

The Eighth Session of the Committee was opened, on 29 May 1991, in a joint session of the three Permanent Committees, by the Chairman of the Permanent Committee on Reforestation and Forest Management, Mr. Erik Lammerts van Bueren, in a meeting which addressed Agenda Items 1 - 4. There were also Joint Sessions for items 5 and 6. A list of participants is provided in document ITTC(X)/Info.2/Rev.2

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

At the first meeting on 29 May 1991, the Committee adopted the Agenda of its Eighth Session as contained in document PCF(VIII)/1 Rev.2.

### 3. Admission of Observers

A list of Observers admitted by the Committee to attend its Eighth Session is contained documents ITTC(X)/Info.3/Rev.2.

### 4. Report of the Panel of Experts for the Technical Appraisal of Project Proposals (Joint Session of the Permanent Committees)

This item was taken up by the Council, after a presentation had been made by the Chairman of the Panel, Mr. Ron Kemp.

### 5. Market Review and Assessment of the World Tropical Timber Situation (Joint Session of the Permanent Committees)

The 1991 Market Review took place at a Joint Session of the Permanent Committees for one day, on 30 May 1991, instead of the usual two days. The discussions were under the chairmanship of Dr. Gary Lindell (USA). The Rapporteur was Mr. Arthur V. Morrell (UK).

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

This item was considered during the Market Review.

### 7. 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(VIII)/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".

- (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).
- (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.
- (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 report of the Working Group is contained in document ITTC(X)/9 [PCF(VIII)/4]. This document has been reviewed by the Committee and its deliberations have been incorporated in the revised document ITTC(X)/9 Rev.1 [PCF(VIII)/4]. The text of a Recommendation to Council urging the adoption of this revised document as the ITTO Guidelines on the Establishment and Sustainable Management of Planted Forests and requesting the Executive Director to publish the document widely and promote its use throughout the international community is presented in Appendix III.

The Secretariat was requested to do the final editing. Member Countries were invited to provide the Secretariat with relevant sources of information for inclusion in Appendix 6 of the above document, before 1 August, 1991.

- (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 due to delays in receiving a discussion paper of Incentives prepared by the Oxford Forestry Institute. The discussion and decision about follow up action were taken up by the Council. The Committee expressed the view that it was necessary to develop activities aiming at the implementation of the Guidelines on the Sustainable Management of Natural Tropical Forest and achieving the Target 2000.
- (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 Workshop was held in Bangkok, Thailand from April 25-30, 1991. A report on the outputs from the workshop was presented to the Committee by a member of the delegation from Thailand and a number of delegates who had attended the workshop spoke positively of its outcomes. A proposal from the Government of Japan for a follow-up workshop was presented to the Committee as PD 149/91 (F), Rev.3. As stated in Recommendation 22 of this Report, the Committee recommends that Council approve this project proposal subject to the restrictions of a maximum ITTO contribution of US \$100,000 and co-financing being obtained from other International Organizations, and that in consultation with these organizations, the objectives of the workshop are focused onto one or the other principle objectives stated in the Project Document for PD 149/91 (F) Rev.3.

#### 8. Report on Completed Projects

Following two projects have been completed since the Seventh Session of the Committee.

- (i) Project PD 76/90 Rev.1 (F), "Project Formulation Workshop for Establishing a Network of Genetic Resources Centres for Adapting to Sea Level Rise". The Workshop was held in Madras, India on 15-19 January 1991.

Committee took note of document PCF(VIII)/6 which presented a summary of the workshop outputs, and recommends that it be accepted as report on the Project and released for general distribution. The complete proceedings of the workshop were released for the information of delegates during the Sessions by the Implementing Agency, the Centre for Research on Sustainable Agriculture and Rural Development in India. Outputs from the workshop were also presented to the Committee as a Project Proposal - PD 157/91 (F), Rev. 1.

- (ii) Project PD 78/90 (F), "Panel Discussion/Seminar on Promotion of A Positive Image of Sustainable Utilization of Tropical Forests." The Seminar were held in Kamakura on 17 November 1990, in conjunction with the Ninth Session of the Council and the Seventh Sessions of the Permanent Committees.

Committee took note of document PCF(VIII)/7 and recommends that it be accepted as report on the Project and released for general distribution, and publication in the ITTO Technical Series, and to make available an amount of \$25,000 for this purpose.

#### 9. Review of Project Work in Progress

The Committee took note of a status report by the Secretariat on the thirty-seven Projects, in the field of Reforestation and Forest

Management, which have been approved by the Council but still not completed, contained in document PCF(VIII)/8. A special review of the progress in implementing PD 34/88 Rev.1 (F) was conducted in February 1991. A report on that review is contained in document PCF(VIII)/5.

The Committee expressed concern about the relatively high proportion of the projects that has not reached implementation.

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.

The Forest Agency of Japan made available partial financing, amounting to US \$ 240 000, for this Project from its 1988/1989 budget.

The Council at its Fourth Session in June/July, 1988 authorized the Executive Director to start execution of the Project, provided that a viable, fully financed sub-project could be identified and executed without increasing the total cost of the full Project. Such a sub-project was identified and the Japan Overseas Forest Consultants Association (JOFCA) was contracted to execute it.

The Sub-project became operational on 10 March, 1989, when the budget resources were made available by the Forest Agency of Japan, and was completed in March 1990. A report on the completed Sub-project, contained in document PCF(VI)/9, was submitted to the Sixth Session of the Committee.

At the Seventh Session of the Council, in November 1989, the Forest Agency of Japan pledged a further contribution of US \$ 195 000 for the continued implementation of the Project.

The Forest Agency pledged at the Ninth Session additional financing amounting to US\$ 240 000 for Project PD 2/87 (F) "Rehabilitation of Logged-over Forests in Asia/Pacific Region" and indicated that it would favourably consider full financing from future budgets of the Agency. The Delegation of Japan therefore requested that the implementation of the Project be resumed immediately.

The Council authorized, at its Ninth Session in November 1990, the implementation of a second sub-project, identified in a separate Project Document with the same title as the full Project but with a the sub-title (Sub-Project II), and a total budget of US \$430,000. A draft Agreement for the implementation of the Project has been signed with the implementing agency, JOFCA, and sub-consultants have been engaged for various aspects of the Project.

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 to 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.

Five Progress Reports covering the period August 1988 - December 1990 have been submitted by the Executing Agency. A first review of the progress of Project implementation was made by the Secretariat on 3 to 6 April 1989 and a second on 2 to 6 April 1990.

A special committee, "The Technical Working Group on Forest Management of Natural Forests in Malaysia", has been formed to provide advice with regard to the selection and establishment of the study areas, design of experiments, data collection and data analysis. The Working Group consists of representatives from the Forestry Department HQ's, Peninsular Malaysia, the Forest Research Institute of Malaysia, the Forestry Faculty of the University of Agriculture and the four State Forestry Departments involved in the study.

The four study areas are established, the initial surveys and the demarcation of sub-plots have been completed and experiments have been initiated in all four areas. The overall progress is good and generally on schedule, though some delays have occurred due to poor market acceptance of small size logs necessitating additional silvicultural fellings in some of the areas. The necessity for extending the Project from August 1991 to December 1991 due to unavoidable delays was noted and will be recommended to Council.

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

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

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.

### 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

This Project was approved by the ITTC at its Fourth Session in June 1988.

The Agreement between the Government of Brazil and ITTO, governing the implementation of the Project, was signed by the Brazilian Agency for Cooperation (ABC) on behalf of the Government of Brazil on May 10, 1989 and by ITTO on May 22, 1989.

The Technology Foundation of the State of Acre (FUNTAC) is designated Executing Agency. The Brazilian Institute for Renewable Natural Resources and the Environment (IBAMA), the Superintendency for the Development of the Amazon (SUDAM), the National Institute for Amazon Research (INPA) and the Secretary of Environment and Urban Development of the State of Acre (SEDUMA) have established agreements with FUNTAC regarding their participation in the execution of the Project.

A Steering Committee has been established with representatives of the agencies which will cooperate with FUNTAC in executing the Project and of ABC and ITTO. This Committee has had four meetings to discuss and decide upon the programme and methodology for the implementation of the Project.

A Consultative Committee has been created with representatives of groups and organizations which have direct economic interest in the development of the Project area or are interested in the area from ecological/environmental points of view. The Consultative Committee met for the first time in October, 1989.

The Steering Committee decided at its meeting in March, 1990, that the Consultative Committee should be represented at future Steering Committee meetings.

The first progress review was conducted jointly by ITTO and ABC on 5-7 March, 1990. A further progress review was prepared by the Secretariat following a visit by the Assistant Director for Reforestation and Forest Management to the Project Area during the period May 16-22, 1991. This review was presented to the Committee in document PCF(VIII)/18, and the Implementing Agency, FUNTAC, made a presentation to the Committee on the outputs of Phase I of this project. A proposal for a Phase II Project has been submitted to the current Session of the Council.

5) PD 34/88 Rev.1 (F) 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 and full financing was secured in May 1989. An Agreement regulating the implementation of the Project was concluded in April, 1990.

The Committee requested at its Sixth Session the Secretariat to clarify, with the Bolivian authorities, the plans for the implementation of the Project.

The Government of Bolivia has encountered problems in settling a compensation claim for land rights surrendered by the indigenous people, which previously used the land allocated for the Project. Steps are taken to resolve this conflict.

The Committee took note of a report by the Secretariat on the Project, contained in document PCF(VII)/8 "Review of Development in PD 34/88 Rev. 1".

The Delegation of Bolivia reviewed action taken by the Government to resolve the problems which have been encountered and to provide for the continued implementation of the Project.

The Committee decided to recommend to the Council that the Secretariat be requested to closely monitor the development of the Project, make at least one review mission to the Project before the Eighth Committee Session and prepare a special report on the progress in implementing the Project to be considered by that Session of the Committee. The Committee also requested that the Government of Bolivia report to the Eighth Session on progress on this Project.

The report of the independent consultant engaged to undertake the review of the project was presented to the Committee in document PCF(VIII)/5. Following consideration of this report and exhaustive consultation with interested parties and Member Countries, the Secretariat and the Delegation from the Government of Bolivia developed a Memorandum of Understanding for the Interim Implementation of the Project between the current session and the Eleventh Session of the Council. The text of this Memorandum is presented in Appendix III. Council is urged to approve its adoption as a deviation from the approved Project Document to allow for the minimum maintenance of the Project while options for its future management are further investigated for the consideration of the Eleventh Session of the Council.

6) PD 53/89 Rev.1 (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, but financing for immediate implementation was not made available at that time.

At the Eighth Session of the Council full financing of the Project was secured. An Agreement regulating the implementation of the Project, between the Ministry of Agriculture of Cameroon and ITTO was concluded in September 1990, and the first transfer of funds from the Special Account was made the same month. Active work has now begun on the implementation of this project.

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 was 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.

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.

Invitation to apply for internships have been circulated and the selection of candidates have been initiated.

9) PD 68/89 (F) Rev.1 Management of the Tapajò 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 is secured through earmarked contributions to the Special Account.

The Government of the United Kingdom, through the Overseas Development Administration, provided full financing for the Project through an earmarked contribution to the Special Account, in February 1990. A draft Agreement is expected to be concluded shortly.

10) PD 69/89 (F) Rev.1 Workshop on Sustained 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 for the execution of the Project was concluded between the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) and ITTO in July 1990. The Workshop was planned to be held in March, 1991, but to date, no report has been received by the Secretariat.

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

A draft Agreement regulating the execution of the Project was signed with the Japan International Association for Mangroves in January 1990.

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 the 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 signed on December 11 1990. A special account has been established by ITTO at the Deutsche Bundesbank in Frankfurt am Main and a first transfer of funds, DM 200,000 was requested on December 13, 1990.

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. An agreement for the implementation of the Project was signed with the Ministry of Lands and Natural Resources, Ghana on December 10 1990 when the Project became operational.

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

This 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, and a draft agreement was sent to the Ministry of Forest Economics on 28 December, 1990.

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, at its Sixth Session, recommended that the start of the implementation be conditioned by Bolivia presenting a plan for the Project execution and engaging a reputable consultant that can report to

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ITTO secretariat on the arrangements for the Project and that that report is positive. A revised document, taking account of the comments made by the Committee at its Sixth Session, has been submitted to the Secretariat.

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 was available in the Special Account. Full financing has still not become available. However, during the Session, Delegates from Sweden indicated that Sweden is prepared to co-finance the project provided that full financing could be found. The Swedish Delegates also urged the Committee to communicate to Council with regard to:

- its appreciation of the Executive Director's active efforts so far to find earmarked funds for this project.
- its confirmation of the Committee's earlier favourable appraisal of the project in view of the urgent need to promote improved logging practices.
- making a recommendation that the Executive Director consult with possible host countries on the basis of existing commitments with a view to reaching agreement on financing and implementing the project.
- recommending that the Executive Director establish an advisory group for the Project consisting of the host country, other countries of the region, ITTO, a NGO representative, the logging industry and donors.

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 has been drafted and was, on June 5, 1990, submitted to the Ministry of Forestry, Indonesia for consideration. An agreement on the execution of the Project was concluded in February 1990.

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.

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.

One 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.

The Committee considered document PCF(VII)/9 "Proposal for implementing Project PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase I) in the Asia Pacific Region". The proposal had been developed by ANUTECH Pty Ltd. and the Department of Forestry, Australian National University.

The Committee decided to recommend that the Council requests the Executive Director to explore with ANUTECH the possibilities of reducing the costs of the services of ANUTECH to not exceed US\$ 200,000. An agreement for executing the Project in the Asia-Pacific has been concluded with ANUTECH of Australia. The first region edition of the "ITTO Forest Management Update" was distributed in April and is expected to be followed by editions in June, September, and December.

The Committee noted the letter from the Bolivian Government nominating the Department of Forest Engineering at the Autonomus University of Gabriel Rene Moreno as the coordinating institution for the Project in Latin America, and welcomed this nomination for consideration in the future management of the Project.

The Committee also noted submissions from the executing agency ANUTECH seeking a transfer of some US \$3,850 from the internal budget from Item 18 (Communications) to Item 15 (Vehicle Hire), and a proposal to hold a workshop towards the end of the first year's operation of the Project at the Forest Research Institute in Malaysia to explore future options for the network. A budget of US \$100,000 from existing funds within the budget was suggested to allow for participation from both Africa and Latin America to discuss interaction and information sharing between the three regional networks that were envisaged in the original project.

The Committee recommends that the Council approves the internal transfer of funds requested by the executing agency and that it gives approval for the conduct of the Project review workshop from existing approved funds.

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. Such funds have still not become available.

The Government of Bolivia has however received some funding from the National Science Foundation in the United States through its co-

operating agency Princeton University, and presented a revised budget of US \$114,730 as compared to US \$348,914 in the original project proposal. The revised proposal also reduced the time for the project from four to three years due to a successful year of preliminary field investigations by staff from Princeton and Bolivian counterparts. The executing agency was also changed from "Conservation International" in the approved Project to Government of Bolivia.

The Committee recommends that Council approve these changes to the conduct of PD 88/90 as they should help to secure full funding for a project with potentially wide regional interest.

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

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 was signed in February 1991. The Resident Advisor envisaged in the Project Document was appointed in April 1991 and active work on the Project has commenced.

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

Phase I of the Project was approved by the Council at its Ninth Session in November 1990. A draft Agreement for the implementation for Phase 1 was sent to the Government of Peru through the Embassy in Tokyo, on December, 1990, and this Agreement has been signed and presented to the Secretariat at this Session.

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. A draft Agreement for the Implementation of the Project was sent to FUNATURA through the Brazilian Embassy in Tokyo on December 18, 1990. On March 5, FUNATURA advised that they had signed the Agreement and that they were ready to initiate work on the Project.

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 in November 1990, and the Executive Director was authorized to start implementation as soon as full funding, in the form of earmarked contributions, was 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 Project was approved by the Council at its Ninth Session in November 1990 and funds made available for immediate implementation. A draft Agreement was sent to the Government of Brazil, through the Embassy in Tokyo on December 18, 1990.

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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 became available. Full funding had still not been secured by the time of the Session.

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

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 became available. Full funding had still not been secured by the time of the Session.

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

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

A draft Agreement for the implementation of the Project was sent to the Ministry of Forests and Soil Conservation of His Majesty's Government of Nepal on December 20, 1990. A telefax message was received from the implementing agency during the session indicating that this agreement has now been signed.

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 in November 1990 and funds were made available for its immediate implementation. An agreement for the implementation of the Project was drafted and sent to the implementing agency, the Forestry Agency of Japan, in January 1991.

The Delegate from Japan made a request to the Committee that the implementing agency be changed to the Forest Department of the Government of Sarawak and Committee recommends that this change be accepted subject to the Secretariat securing the compliance of the Forest Department.

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

The Project was approved by the Council at its Ninth Session in November 1990 and made funds available for its 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. It is understood that a revised agreement will be finalized in the near future so that work can begin on 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 made funds available for its 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. It is understood that a revised agreement will be finalized in the near future so that work can begin on the Project.

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

The Project was approved by the Council at its Ninth Session in November 1990. 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 Project was approved by the Council at its Ninth Session in November 1990. 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.

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 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.

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 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.

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 made funds available for its immediate implementation. A draft Agreement regulating the implementation of the Project was sent to the Government of Malaysia through the Malaysian Embassy in Tokyo on December 18 1990. It is understood that a revised agreement will be finalized in the near future so that work can begin on the Project.

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 regarding the terms of reference for the Agreement for the implementation of the project were completed on 26 February, 1991 and the Project was expected to become operational by April 1991.

10. Reports on Completed Pre-Projects

The following two pre-projects have been completed since the Ninth Session:

- (i) The Pre-project on "Silvicultural Treatment through Selective Felling as Part of A Pilot Forest Development Project in the South Bakundu Forest Reserve, Cameroon" was expected to be completed in March 1991. A report on the Pre-project has been received in French but was not received in time for translation and distribution at the Session.
- (ii) Study of Conservation Concerns Relating to the Diversification of Species Extracted for Timber was completed in March, 1991. A report on the Study is contained in document PPR 21/91 (F,I). The Committee took note of documents PCF(VIII)/9 and PCF(VIII)/10. The Committee noted that the use of Lesser Known Species could have considerable adverse effects on the conservation of biodiversity. The Committee therefore recommended follow up actions as contained in Recommendations 4-8 in this Report.

11. Report on Pre-Project work in Progress

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

- (i) Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador,
- (ii) Coordinated Natural Forest Management and Sustainable Rural Development in Areas Adjoining Sapo National Park, Liberia,
- (iii) Manmade Forests of Indigenous Species - A Systematic Preparation to Industrial Tree Plantations, Ghana,



- (iv) Sustainable Development in the Amazon Region,
- (v) Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forest. The Committee discussed various aspects of this Report and recommended the follow-up actions outlined in Recommendations 3,5,7 and 8 of this Report, and
- (vi) Sustainable Multiple Use.

The Committee took note of a status report by the Secretariat contained in document PCF(VIII)/9.

## 12. Consideration of Project Proposals

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

Project List		
Project No.	Project Title	Submitting Government
PD 52/89 Rev.1 (F)	Forestry Treatment by Thinning-out in the Context of a Pilot Forest Development Scheme in the Reserve of Sud-Bakundu	Cameroon
PD 119/91 Rev.1 (F)	Workshop on Women and Forestry. A Look at African Experiences	Ghana
PD 120/91 Rev.1 (F)	Sustainable Management of Tropical Forests - Intensive Operational Management of Natural Forests	Malaysia
PD 125/91 Rev 1 (M,F)	Research Prospectus for the Economic Management of the Latifolia Mara in Bolivia	Bolivia
PD 128/91 Rev.1 (F)	Management, Conservation and Development of the Mangrove Forests in Panama	Panama
PD 130/91 Rev.1 (F)	Plantation Establishment Methods (First Phase)	Japan
PD 131/91 Rev.1 (F)	Pilot Project for the Sustained Management of the So'olala Forest	Cameroon
PD 132/91 Rev.1 (F)	Training Forestry Workers in Carrying Certain Tasks Related to Forestry	Cameroon
PD 138/91 Rev.1 (F)	Program for Sustainable Forest Management in the Ecuadorian Forest Institute	Ecuador
PD 139/91 Rev.1 (F)	Management Plan for the Sustained Production of Orey Forests in the Bocas del Toro Province	Panama

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PD 140/91 Rev.1 (F)	Management Plan for the Cativo Forests of Darien	Panama
PD 147/91 (F)	"El Telegrafo" Reforestation Project	Ecuador
PD 148/91 Rev.1 (M,F,I)	Seminar on Economic Case of Sustainable Tropical Forest Management	Japan
PD 149/91 (F)	Technical Workshop to Explore Options for Global Forest Management	Japan
PD 156/91 (F)	Establishment of Two Model Forest Nurseries and Forest Management Project	Ecuador
PD 157/91 Rev.1 (F)	The Establishment of an International Network of Genetic Resources Centres in Mangrove Species	India
PD 159/91 Rev.1 (F)	Studies for the Regulation and Sustained Management of the Tropical Rainforests of the Provinces of Napo and Sucumbios	Ecuador
PD 161/91 (F)	Sustainable Management for Production Conservation, Demonstration and Extension in Moist, Dry and Sub-Montane Forests	Ecuador
PD 162/91 Rev.1 (F)	Intensification of Growth and Yield Studies in Previously Logged Forest	Papua New Guinea
PD 164/91 (F)	Native Species Reforestation as an Alternative for Conserving the Panama Canal Watershed	Panama
PD 165/91 (F)	Biotechnology Development for Forest Species in Ecuador	Ecuador

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(VIII)/15	Quality Hardwood Plantations for the Tropics to Complement the Sustained Management of Natural Forests	Ireland
PCF(VIII)/16	Forest Accounting: Monitoring Forest Condition and Management	U.K.

- |              |   |      |
|--------------|---|------|
| PCF(VIII)/17 | Study of the Feasibility of Strengthening Incentives for the Management of Tropical Moist Forest for Sustained Production in a Producer Country | U.K. |
| PCF(VIII)/19 | Proposal for an Andean Forestry Journal   | Peru |

The Committee discussed PCF(VIII)/15 and saw considerable merit in much of what was said. Concern was expressed that any major new initiatives by ITTO should not duplicate the activities of other national and international research institutes. To this end, it was felt that any ITTO initiatives in this area should have a strong emphasis on economic analysis directed to investigating areas of competitive advantage for plantations of high quality hardwoods as well as the constraints that might influence investment decisions and Government policies.

The Committee welcomed the reports of discussion of PCF(VIII)/16, PCF(VIII)/17 and related documents in the Committee on Economic Information and Market Intelligence, and commented on the usefulness of the proposals contained there in. The Committee particularly welcomed the expression of Interest by Ghana in developing a proposal related to the co-operating with the feasibility investigations outlined in PCF(VIII)/17. The Committee also suggested that there was scope for collaboration with FAO and other international organization in developing the forest accounting procedures suggested in PCF(VIII)/16.

There was wide support for the idea of the Andean Forestry Journal contained in PCF(VIII)/19, and support for the idea of similar regional journals for Africa. The Committee encouraged Peru and the Andean members to bring forward a Project Proposal to the next Session for a seed proposal for such a Journal. The Committee also encouraged the submitting Members to liaise with the Secretariat of the International Society of Tropical Foresters who have apparently recently undertaken a feasibility study on a Latin American Tropical Forestry Journal, and to include in their proposal a plan outlining a strategy for making the Journal self-supporting within a maximum period of 1-2 years.

13. Decisions on Pre-project Work

No Pre-Projects were considered by the Committee.

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

Recommendations for the granting of Fellowships will be advised verbally to the Council.

15. Dates and Venue of the Eighth 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.

16. Any Other Business

1. The Delegation from the Republic of Columbia expressed its appreciation for the support available to Producer countries under PD 73/89 (M,F,I) and gave notice that Columbia would write to the Executive Director seeking the assistance of ITTO for improved project formulation under this project.
2. The Delegate from France requested that the Secretariat include an assessment of how Projects relate to the ITTO Action Plan in the Summary Tables produced in the Technical Evaluation annexes.
3. The French Delegation also expressed its appreciation of the services of the interpreters noting their long and extended service during the Session. The delegation particularly expressed its appreciation of the provision of translation services during the informal sessions and requested that greater numbers of translators be provided in future to ease the burden on the interpreters and translators and increase the efficiency of the Sessions.

17. Recommendations to the ITTC

The Committee made the following recommendations:

1. To adopt the document ITTC (X)/9 Rev.1 [PCF(VIII)/4] as the ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests.
2. To urge the Executive Director to take care of the final editing of the document ITTC (X)/9 Rev.1 for translation and publication, with a view to disseminating the document widely and promoting its use throughout the international community according to the practices established with the Guidelines on the Sustainable Management of Natural Tropical Forests, and to this end, to make available US \$30,000 for this purpose.
3. To approve, translate and publish for dissemination in the three working languages document PCF(VIII)/11 "Realistic Strategies for Conservation of Biological Diversity in Tropical and Moist Forests". In addition, the 3 Background Reports of Regional and Country Papers should also be published in at least English and the relevant Regional Language, and to achieve these objectives, an amount of US \$30,000 should be made available for these purposes.
4. To approve, translate and publish document PCF(VIII)/10 "Conservation Concerns Relating to the Diversification of Species Extracted for Timber" for wide dissemination, and to make an amount of US \$10,000 available for this purpose.
5. To endorse the decision by the Committee to establish a Working Group for Developing Guidelines for the Conservation of Biological Diversity in Tropical Production Forests to complement existings Guidelines on the Sustainable Management of Natural Tropical Forests and the proposed Guidelines on the

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Establishment and Sustainable Management of Planted Tropical Forests, and to this end to make available US \$50,000 to cover the costs of convening the working group.

6. To endorse the decision by the Committee to have a one day discussion among the three Permanent Committees at the next session considering all aspects of Lesser Known Species taking into account the recent publications PCF(VIII)/10 above and PCM (VIII)/7 (Study on the Conservation Status of Tropical Timbers in Trade), and any other relevant publications.
7. To endorse the decision by the Committee to organize a seminar on aspects of the conservation of biological diversity in tropical production forests at one of the forthcoming sessions of the Council.
8. To request the Executive Director to investigate, in consultation with other organizations, the possibility of developing an international research and monitoring programme with the main objective of examining the impacts of different intensities of timber harvesting on the biodiversity of tropical forests.
9. In view of the agreed ITTO target that by the year 2000 the total exports of tropical timber products should come from sustainable managed forests, and in view of the other objectives in the field of reforestation and forest management contained in the ITTO's Action Plan, to request member countries to:
  - a. Concentrate on the development of project proposals which are designed to translate the ITTO Guidelines on the Sustainable Management of Natural Tropical Forests and the proposed ITTO Guidelines of the establishment and Sustainable management of Planted Tropical Forests into Practice;
  - b. Encourage and support Producer Countries to prepare and implement long term wood production plans within the context of integrated landuse planning to achieve conservation of the tropical forest resource and sustainable development in the forest sector; and
  - c. Endorse the Decision of the Committee to prioritise the financing of the above mentioned Projects and activities.
11. To draw to the attention of member countries to the necessity for the utmost clarity in project proposals regarding social and environmental impact assessments, provisions for the involvement of local people, and the internal consistency of project design in relating the objectives to the proposed activities, methodology, financial and staff resources and the proposed time scale.
12. To approve PD 119/91 Rev. 1 and allocate US \$221,600 for its implementation.
13. To approve PD 128/91 Rev.2 and allocate US \$489,000 for its implementation under the conditions that: (i) no funds be

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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.

14. To approve PD 130/91 Rev.2 with the addendum presented in response to the Committee's comments re synthesizing existing research information at the beginning of the Project and allocate US \$780,000 for its implementation.
15. To approve PD 131/91 Rev.2 which included responses to questions and suggestion made by the Committee and allocate 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.
16. To approve PD 132/91 Rev.1 and allocate 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.
17. To approve PD 138/91 Rev.1 and allocate 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.
18. To approve PD 139/91 Rev. 2 and allocate US \$342,000 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; (ii) the allocation for ITTO monitoring and evaluation is increased from US \$20,000 to US \$30,000; (iii) that the title in English is changed to match that of the Spanish to better describe the project; and (iv) that the workplan show precisely how the project will co-ordinate with related work undertaken in the region by IUCN and CATTIE.
19. To approve PD 140/91 Rev.2 and allocate US \$677,460 for its implementation including an increased allocation from US \$18,000 to US \$30,000 for ITTO evaluation and monitoring. This approval should be 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.

20. To approve PD 147/91 for sponsorship to other organizations following presentation of a revision to the Secretariat.
21. To approve PD 148/91 Rev. 3 and allocate US \$115,000 for its implementation.
22. To approve PD 149/91 Rev.3 and allocate a maximum of US \$100,000 for this project 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 direction.
23. To approve PD 156/91 Rev. 2 and allocate 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.
24. To approve PD 157/91 Rev.2 and allocate 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 Committee also noted that as written, the later Phases of the project were more suited to financial support by other organizations and that it would not favour direct funding of these Phases by ITTO.
25. To approve PD 159/91 Rev.2 and allocate US \$1,161,900 for its implementation including an increase from US \$20,000 to US \$50,000 for ITTO evaluation and monitoring. In making this recommendation, the Committee was aware of the potential for social conflict in the implementation of this project and recommends that no funds be released until the Secretariat has received a detailed workplan that includes 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 Projects 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.

26. To approve PD 162/91 Rev.1 and allocate 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.
27. To approve PD 164/91 Rev.1 and allocate 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.
28. With regard to the conduct of approved Project PD 83/90 the Committee commends the offer of finance from the delegates from Sweden and urges 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.
29. With regard to the conduct of PD 86/90, that Council approve the changes outlined on Pages 11 and 12 of this Report with regard to the minor internal transfer of funds and the conduct of a workshop to discuss future developments of the programme from existing approved funds and to a maximum of US \$100,000.
30. With regard to the conduct of PD 88/90, that Council approves the reductions in budget and project management structures outlined on Page 12 of this Report.
31. With regard to PD 10/87 (F), that Council approve its extension without budget modification from August 1991 to December 1991 due to unavoidable delays at the beginning of the Project.
32. With regard to completed PD 78/90 (F), that Council approve the Report presented to this session for general distribution and publication in the ITTO Technical Series and to make available an amount of US \$25,000 for this purpose.

18. Report of the Session

The Committee accepted this Report for submission to the Council.

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Appendix 1

TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

1. PD 52/89 Rev.2 (F) Forestry Treatment by Thinning in the Context of a Pilot Forest Development Scheme in the Reserve of South Bakundu.

The Sub-Bakundu Forest is typical of the moist forests in the south-west of Cameroon that have had a long history of both planned and unplanned logging, with much of the unplanned logging being due to small scale encroachment by local people seeking materials and cash that are needed to supplement their incomes from subsistence farming or day labour in nearby oil palm plantations. Sud-Bakundu will form part of the 20% of the total land area that the Government of Cameroon has decided will be retained as part of the permanent forest estate. While degraded to some extent by past activities, the forest still contains valuable timber and other forest resources that will need to be brought under more intensive management if their long-term sustainability is to be secured so that Cameroon can continue to be a long-term supplier to the international timber trade.

Earlier studies have indicated the potential for liberation thinning to enhance the timber production status of the forest. The current proposal is to develop and begin to implement an integrated management plan for the area, so that it can act as a regional demonstration model for the development of management techniques and practices for extension to other similar forests in the region. Specific goals include:

- (i) To develop an integrated management plan for the forest and its immediate surrounds to harmonize the development of the forest with the development of the local area.
- (ii) To commence implementation of the plan in the areas of
  - controlled harvesting
  - post harvest stand improvement
  - agro-forestry development in adjacent areas
- (iii) To train personnel in forest management as well as in other technical, administrative and financial matters.
- (iv) To critically review all of the above for extension of practices to other similar forest areas in the region.

The project appears to address the conservation and management of previously logged forest in Cameroon by developing a pilot demonstration model management area for the Sud-Bakundu reserve and its immediate surrounds. As such, it was felt that the project was consistent with the ITTA and the ITTO Action Plan. However, as written, some of the precise details of the project and its activities were not clear to the appraisal panel and clarification of these issues is required.

Recommendations of the Expert Panel

The proposal should be revised to address the following issues:

- i) The Extent of the Project Area: The project proposal states that the Sud-Bakundu Reserve covers some 20,000 ha of which 3,690 were logged in 1932. Also, the project proposal mentions a 2-3km wide buffer strip surrounding the reserve where local people will be able to exercise their traditional rights of use and custom. Thus, there is a need to clarify:
  - \* The exact project area both within the Sud-Bakundu Reserve and outside the reserve in the proposed buffer area and the social and ecological situation in each of these areas.
  - \* The area for which studies will be carried out and maps prepared.
  - \* The area of forest needing silvicultural treatment.
  - \* The area of forest that is likely to be used for
    - future timber production purposes
    - protection forest
    - forest for the use of the local people
    - future agricultural development areas
- ii) Project Objectives: As written, it was not clear whether the proposal involved just the preparation of a master plan for the area, or whether it involve both preparing and implementing such a plan with on-going evaluation of outcomes. Thus, there is a need to explicitly specify objectives, activities and expected outcomes for the three phases of the project viz, Phase I: Years 1-2; Phase II: Years 2-4; and Phase III: 10-20 years post project initiation. Importantly, it was felt that there should be a clear indication of the time scheduling of any proposed timber harvesting activities, as the panel felt this should not take place before the management plan has become operational.
- iii) The Role of Local People in the Project: The importance of local people and the potential impact of reserve management on the lives of these people is mentioned in a number of places in the project proposal. In addition, one of the expected outcomes stated on page 6 is an evaluation of the economic importance of all forest activities, including the use of the forest by local populations for purposes such as hunting. However, it is not clear how or when this is to be done nor what mechanisms are planned for consultations with local people during the project. Thus, clarification is sought on the following issues:
  - \* The timing of any socio-economic surveys in the activities of the project.
  - \* The mechanisms proposed for the project to address the need for environmental and social impact assessment.

- \* The mechanisms for involvement of local people in the development of the pilot master plan for the reserve.
  - \* Mechanisms for Forestry Department extension/assistance for local management of the proposed buffer area.
- iv) Post-Project Extension Activities: The pilot project proposal is focused on Phases I and II which cover years 1-2 and 3-4 respectively. A number of points therefore need to be clarified the management of the project area after this period:
- \* What mechanisms are planned to use the pilot area for demonstration/training/extension purposes for the people and managers of reserve forest areas in other parts of Cameroon or even beyond Cameroon to the wider West African Region?
  - \* How will equipment purchased for the project be used after the project is completed?

There were some minor arithmetical errors in the funding request tables on pages 11-13 but these do not affect the overall thrust or level of funding required for the project. However, the proposed allocation of US\$12,000 will only be sufficient for a single visit by the ITTO Secretariat during the life of the project. A figure of US\$50,000 for monitoring and evaluation would be more realistic as this would allow for a visit from the ITTO Secretariat at the end of Year 1 together with a combined visit by the Secretariat and an independent consultant at the end of years 2 & 4.

#### Assessment of Revisions

The Secretariat examined the revised project and found that while a genuine attempt had been made to respond to the Panel's recommendations in many areas, some of the panel's questions and reservations remained unresolved. A matter of particular importance was the lack of any detailed response to the question raised by the panel with regard to social and environmental impact assessment and the precise mechanisms for involvement of local people in the planning and execution of the project.

As a result, it was felt that the Project should be further revised and the delegates from Cameroon advised that the project would be withdrawn and resubmitted in a modified form for the next Project Cycle.

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

The Workshop will examine the role and importance of African women in forestry by reviewing experiences from forestry projects in Ghana and other African countries. It will also provide an overview of the state of knowledge on women and forestry in the African context and develop a series of proposals for forestry development programmes and projects which are designed to work with women in forest-related activities.

The panel considered that the subject of the project is very important in the context of the sustainability of the forest resource and

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that an exchange of experiences related to the theme "Women in Forestry" is highly desirable. However, it was recognized that a number of other international organizations were actively working in this area though there was often a considerable focus towards fuelwood issues in dry forests in these activities. A number of modifications were suggested as described in the following paragraphs.

#### Recommendations of the Expert Panel

The panel recommended the following modifications to the project proposal:

1. The project should give priority to matters related to tropical moist forests, their multiple use and the role of non-timber forest products and how these considerations affect the sustainability of the tropical moist forest resource. With this focus, the project will be more directly relevant to the objectives of ITTA and the priorities outlined in the ITTO Action Plan.
2. The participants should be restricted to those from ITTO member countries, and this restriction should be reflected in a reduction in the total number of participants and budget requirements for the workshop.
3. The project proposal should specify that the selection of participants will favour the participation of women and outline how this is going to be achieved. In addition, the project proposal should outline how the participants will be expected to transfer the knowledge gained at the workshop to their countrymen and countrywomen upon their return home, and should outline a strategy for ensuring that the results of the workshop are brought to the attention of forestry training institutions in Africa.
4. The proposed budget should be revised with a view to achieving lower costs. For example, it was noted that the direct payment of conference chairpersons and rapporteurs is not normally contemplated in ITTO projects. Also the 20 man/months for consultants/lecturers seems more than should be necessary.
5. Since the ITTO Secretariat does not have the human resources to allocate a full person month to the preparation and organization of the seminar, any direct Secretariat involvement in such preparation and organization activities would have to involve the use of a consultant with a specific budget allocation for this purpose.

#### Assessment of Revisions

The secretariat distributed a letter from the Government of Ghana explaining how it had responded to all the issues raised by the evaluation of the Panel of Experts in the revised document that was examined by the Committee. Following this examination, the revised Project was recommended for approval with an allocation of US \$221,600 for its implementation.

3. PD 120/91 Rev.1 (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.

PD 120/91 was originally submitted under the title "Sustainable Management of Tropical Forests - Intensive Operational Management of Natural Forests". The panels comments on this original document were as follows:

The project proposal is consistent with the objectives of the ITTA and with the ITTO Action Plan. However, it is unlikely that the expected outputs viz that "All Commercial Forest lands in the State will be placed under scientific, sustained-yield forest management" could be achieved within the scope of this project, which is essentially concerned with the formulation of a model sustained yield management plan, and with strengthening training. The panel also considered that the relationship between this proposal and earlier or ongoing work needed to be clarified and made fully complementary. In addition, the social and environmental objectives referred to under para 2.C "Special Consideration" should be explicitly reflected in the activities and outputs of the project.

Recommendations of the Expert Panel

The panel recommends the following modification to the project proposal:

- (1) The relationship of this proposal to the management plans prepared under the FAO/UNDP actions referred to should be clarified (e.g. is the project intended simply to update the earlier plans, drawing on new information, or to introduce new elements, or more detailed procedures and specifications?)
- (2) The relationship of the project to similar ongoing work in Sabah (e.g. the GTZ - supported work in the Deramakot Forest Reserve in Parashorea spp forest) should be explained to show

how each can best complement the other (e.g. by being located in different forest types).

- (3) The methods for subsequent transfer and replication of the model management plans to other areas should be more explicitly stated in the proposal.
- (4) The stated intentions to "conserve and enhance the quality of the ecosystem" and to secure "massive participation of people" in the forestry programmes should be reflected in explicit activities and outputs (e.g. in environmental and social impact assessments and training elements).
- (5) Project outputs should be made more explicit, to show e.g.
  - the number of management plans to be produced during the life of the project
  - the total forest area covered by these management plans
  - the details of training courses (number, level duration etc) to be conducted during the life of the project.
  - the expected number of trained personnel at the end of the project in various categories.
- (6) More specific information should be given in the budget on:
  - (a) the type of equipment to be purchased, with estimated unit costs
  - (b) the basis for calculating personnel support costs
  - (c) the allocation to be made for ITTO monitoring and evaluation.
- (7) The title of the project should be modified to more accurately reflect the training focus of the project.

#### Assessment of Revisions

A number of specific responses to the issues raised by the Panel of experts were highlighted including the change of title in the revised document. However, in general, the Committee felt that most of the details of the proposal were far too general to allow reasonable evaluation and called for more specific information in a further revision. The Delegates from Malaysia advised the Chairman that they would withdraw the Proposal and resubmit a more detailed and explicit proposal in the next Project Cycle.

#### 5. PD 125/91 Rev.1 (M,F)      Research Prospectus for the Economic Management of the Latifolia Mara in Bolivia

The Project is designed as an exploratory first phase of an investigation into the economics of sustained production of mahogany. It will analyze and compare management alternatives to assist in deriving low impact sustainable exploitation models for forests in the Amazon basin. Specifically it will assess the value of residual stands, study alternative extraction rates and their financial and economic results, consider investment into regeneration of mahogany and analyze the markets for hardwoods from the region.

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The panel considered that the area of study proposed in the project is appropriate and within the ITTO action plan, though noting that the proposal addresses only one component and perhaps not the major one of the aspects related to the promotion of sustainable forest management.

The panel expressed concern about the need of basic data for project implementation (Appendix I in the project document) that most probably is not available at this stage. Considering that ITTO has approved two comprehensive studies related to the production and economics of Amazonian Mahogany ('Study Of Costs and Yield Levels Of Future Mahogany Supply Industry', And Assessment of Future Mahogany Supply and Alternative Industrial Operations For Sustainable Production'), the panel recommended that additional work on the economic management of mahogany be planned only in light of the results of the above studies.

The panel further recommended that any eventual future project proposal should be presented in the appropriate ITTO format and that the role and participation of the local co-implementing agency should be clarified and enhanced.

#### Assessment of Revisions

The revised document is in ITTO format but does not have any allocation for ITTO monitoring or evaluation. However, the general consensus of the Committee reflected the feelings of the panel, and it was recommended that consideration of this proposal be deferred until after the publication of results from the existing ITTO studies related to the production and economics of Amazonian Mahogany.

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

The development objectives of the Project are to achieve optimal sustained utilization of the mangrove resources of Panama without causing adverse effects on the ecosystem, improve the conditions of the rural communities dependent on the mangrove forests, improve the efficiency in exploitation and utilization of the mangroves, develop suitable areas for recreation, sanctuaries and research and maintain or increase breeding and harvesting of fish, mollusks and crustaceans dependent on the mangrove ecosystem.

The Project will map selected mangrove forest areas, carry out forest inventories in mangrove forests selected for exploitation and prepare management plans. It will establish mangrove zoning schemes identifying areas for fish and forest production, for sanctuaries, for recreation and for research and education. Besides formulating two complete pilot projects for the management of selected mangrove areas, the project will carry out a technical-economic study on mangrove products for the national markets and a socio-economic survey on the communities utilizing the mangrove forest resources.

The project will also carry out field research and sampling in Punto Chame, Los Santos, Montijo, Remedios and Bocas del Toro, with a view to provide basic data and information on mangrove areas and to also allow preparation of management plans, which will include selection of areas for reforestation and appropriate silvicultural guidelines.

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The project includes a component on community development which is expected to establish organized community groups to participate in the management of the mangrove forest resources.

The panel felt that the project had merit and that it was consistent with both the ITTA and the Action Plan of ITTO. The bringing of a significant area of mangrove under planned management was seen as being regionally important given the high prevailing rates of mangrove deforestation. The panel also felt that the project has potential as a regional demonstration forest in sustainable management subject to clarification of the points raised in the suggest revisions below.

#### Recommendations of the Expert Panel

It is recommended that the project proposal be revised giving attention to the following details:

- (i) The need to demonstrate that the proposal is in accordance with a form of sustainable land use - In particular, there is a need for a summary of the growth and yield data on which proposed utilization levels are based.
- (ii) The balance of staffing in relation to stated project objectives - The project appears to be based on an admirably integrated approach to land use planning including provision for zones for conservation, protection, production and in some cases development areas for shrimp farming. However, this balanced approach does not seem to be clearly reflected in either the stated outcomes of the project or the provision of staffing in the budget. It is possible that the proposal for ITTO funding is related to other current or past projects that address these wider issues. However the project proposal should either
  - (a) Outline how the proposed project will utilize other past or current studies in the zoning and land use planning process.or
  - (b) Revise the project budget to give a greater balance between the land use planning and the mangrove forest utilization processes. In particular, the contract period of the mangrove management specialist could be extended and supplemented with specialists in ecology and other areas to aid in the zoning and land planning.
- (iii) The Role of Research in the Project - Research activities are emphasized in both the statement of objectives and the chronogram of activities. However, in the text schedule of activities, it is not clear whether research activities are part of the funded project, though a comprehensive list of proposed research activities that "should" be undertaken was presented. In addition, no specific allocation for research was included in the budget. Thus, the panel felt that the proposal should be revised to explicitly outline the nature,



timing, organization and funding requirements for any research component.

- (iv) Project location and planning procedures - The panel felt that the exact location and extent of the project should have been specified in more detail in the proposal, together with details of the environmental and social impact assessment procedures that would be included in the land use planning aspects of the project, and that these matters should be addressed in the revised project. The panel also felt that the revised proposal should outline the mechanisms that would be used to secure the participation of affected communities in the land use zoning process.
- (v) Clarification of the Legal Situation with Regard to Management and Utilization. On page 6, the panel noted that Resolution No. 013-87 has been passed in Panama prohibiting the felling of all trees. It therefore sought clarification in the revised proposal that this legal framework was flexible enough to allow for the management of planned utilization as a means of sustainable production supporting an integrated approach to resource conservation.
- (vi) Monitoring and Review Procedures - The panel felt that it was essential for the revised proposal to include budget and activity provision for ITTO monitoring and review of the project, preferably at the end of years 1,3 and 5.
- (vii) The budget should also be revised to clarify the relationship with the activities to be carried out.
- (viii) In the revised proposal, full account should be taken of related work under IUCN auspices in Costa Rica and Nicaragua.

#### Assessments of Revisions

The secretariat outlined how the Revision of this document substantially addressed each of the issues raised by the panel. However, while considerable extra detail was given in the revised project proposal, the Committee felt that more explicit detail could have been given particularly in the area of clarifying the procedures for social impact assessment and consulting with people living in or near the project area. It was therefore recommended that the Project be approved and that US \$ 489,000 be allocated for its implementation. under conditions that not funds be released until a detailed workplan was approved by the Secretariat, and the provision for ITTO evaluation and monitoring be increased from US \$15,000 to US \$ 30,000.

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

The Project has the stated aims of developing and testing methodologies for plantation establishment which employ:

- a) intensive soil preparation,
- b) application of fertilizers and
- c) alternative technologies replacing fertilizers.

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One output of the Project will be a series of research plots, located in interested member countries, in which the long term effects of the employed technologies, singly and in combination, can be monitored and evaluated. Additional outputs that the project aims to produce include descriptions and recommendations with regard to the conditions where the various technologies can be as well as summaries of appropriate application methods.

The panel recognized the relevance of the project to ITTO objectives, since industrial plantations will play an increasing role on raw material supply in the immediate future. However, a number of points were brought out by panel members that need clarification. For example, in the very first paragraph it is mentioned that the project is based on the findings of a pre-project of the same title, "Plantation Establishment Methods". It would therefore be highly desirable to incorporate a summary of such findings as the basis for the proposed research. The project is divided into 2 phases, the first lasting 3 years, followed by a gap of 5 years, and immediately after that, the second phase with a duration of 2 years.

Other points requiring clarification include:

- ° site of the experiments, and description of the physical, chemical and biological conditions;
- ° species, soil preparation, fertilizers (experimental design);
- ° how the plots will be maintained during the time between the 2 phases;
- ° which institutions will be implementing the project;
- ° will any observations be made after the 10<sup>th</sup> year? Apparently 10 years is a short time for the full evaluation of forestry experiments; normally projects of this type last for 30, 40 years.

#### Recommendations

The panel recommends that the project be amended in order to better explain the questions raised in the preceding paragraphs. In addition, other modifications are suggested as follow:

- (1) include a synthesis of the large number of significant experiments already carried out in many tropical countries with regard to the establishment of plantations;
- (2) narrow the scope of the project to study in depth the question of timber production in plantations, with emphasis on alternative technologies that minimize dependence on mechanical and chemical inputs (e.g. genotype-site matching and the role of soil microbiology);
- (3) take into account the guidelines now being prepared by ITTO regarding reforestation projects;
- (4) Clarify the institutional arrangements for the project implementation in different tropical countries.

### Assessments of Revisions

The Secretariat gave an assessment of how some of the above issues had been responded to but how the requested synthesis of available research information had not been included, and while more information had been presented about field activities, detailed experimental designs still had to be developed. In response to these comments and the general feeling of the Committee that strong emphasis should be given to alternative low input technologies, the delegation from Japan revised the Proposal to include a small technical experts workshop to synthesize available information from the major tropical forestry regions and design the field experimentation interactively with project staff. This revised project was recommended for approval with an allocation of US \$ 780,000 for its implementation.

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

In the national TFAP it was recommended that a pilot scheme should be set up for forest development in the dense forests of Cameroon. The So'olala forest reserve has been selected for this scheme as it is typical of the essentially unlogged forests that remain in the central and southern provinces of Cameroon. It is also part of the 20% of the land area the Government of Cameroon has decided to retain as its permanent forest estate and will be complemented by other programmes designed to establish a national system of biodiversity reserves.

The forest has an existing body of data based on recent mapping, basic forest inventory and socio-economic surveys. This data has been used to draft of a development plan for the reserve. This project aims to implement this plan as a model for the remaining permanent forest production areas that have not had an initial logging, and to integrate forest development with the broader socio-economic development of the area in order to reduce the pressure for encroachment.

The main activities of the project include:

- a) infrastructure development,
- b) logging and processing,
- c) regeneration and enrichment,
- d) encouragement of agroforestry activities in the buffer zones of the reserve.
- e) operational inventory and
- f) monitoring and research of regeneration of logged areas.

The main expected outputs are:

- a) expert knowledge in silvicultural operations,
- b) established logging standards,
- c) expert knowledge of control of logging operations and
- d) training of 200 staff in various forestry activities.

The panel considered that the project presented by the Government of Cameroon contains certain aspects that merit its consideration as being eligible for financing by ITTO. However, the panel questioned the necessity for heavy direct project investment in logging equipment, and

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suggested that the project should be reformulated to better assure appropriate technical, ecological and social results.

#### Recommendations

The panel suggested the following modifications are needed in the revised project proposal:

1. The precise definition of the objectives, goals and activities of each stage of the project. The current proposal apparently gives priority to timber utilization rather than to reforestation and forest management activities and issues. This raises the question whether the project is primarily a demonstration project for timber utilization, and if so, what its relationship to the issue of sustainable management is?
2. A clear definition of a strategy that will lead to the sustainability of the forest resource, describing the silvicultural and planning techniques to be employed in the development of this strategy (NB., on the data provided in the current proposal, 25,000m<sup>3</sup>/year for the suggested 40 year rotation will more than exhaust the current estimated standing volume of 247,000m<sup>3</sup> of valuable species and the some 600,000m<sup>3</sup> of secondary species. The revised project should provide the full basis for the estimated yield schedules as well as details of how the project has used the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests in its formulation).
3. A clear description of how the local populations will take part in the project and what benefits are anticipated for them.
4. Provision of more precise information on the location and description of the area concerned.
5. A review of the budget with preferably some reduction in the high cost of logging equipment for the project. For example, it should be possible to seek private sector support for the costs of logging, since significant income will be generated by the logs in operations planned in the project.
6. Provision of a clear statement of who will gain ownership of any equipment actually purchased from project funds, including a statement of what will happen to this equipment at the end of the project.
7. Inclusion of provision for the monitoring of environmental and social impacts.
8. Clarification of the training provisions in the project.

#### Assessments of Revisions

The Secretariat outlined how most of the above comments had been responded to in the revised submission though the Committee felt that procedures for the involvement of local people needed greater emphasis and questioned in some cases the wisdom of purchasing logging equipment though

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the relationship of this equipment to pilot use of Lesser Known Species was outlined. In response to these comments, the Delegates from Cameroon revised the proposal removing the major purchasing of logging equipment and making greater provision for the involvement of local people. This revised proposal was recommended for approval with an allocation of US \$534,000 for its implementation, subject to the condition that no funds should be released until a detailed work plan had been submitted to the secretariat which included details of the consultative structures that would be established between the project and local people.

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

The development objectives are to achieve efficient forest regeneration and to establish private enterprises for silvicultural activities. Additional objectives are to institute improved follow-up of forest plantation establishment and establish sustainable production schedules for plantation species.

The Project will contribute to these objectives by training of former employees of ONAREF and CENADEFOR to carry out, in small private enterprises, some of the work required by ONADEF. Three regional training areas will be established in forests under direct ONADEF control. ONADEF will be responsible for executing as well as following up on this training.

The training will be conducted in the three pilot areas mentioned above, and will include natural regeneration, nursery techniques, planting, inventory, mapping, pruning and thinning and studies into application of the methods taught. The aim of the project is to train 180 team leaders who will each head a small private silvicultural team in the operating areas.

The panel considered that the broad thrust of the proposal was consistent with the ITTA and the priorities of the ITTO Action Plan. In particular, it was felt that the results of the project would be of interest to a number of producer countries. The concept of training private workers with skills that would allow the development of private silvicultural enterprises had considerable potential to allow the benefits of forestry development projects to achieve wide distribution to local populations as well as cost effective forest production systems. However, a number of details of the proposed project were unclear to the panel. In particular, it was unclear whether the proposal was really for a pre-project designed to develop a training master plan and the training infrastructure needed to being training, or whether the project was designed to be a full training project designed to produce an output of qualified forest operators. It is therefore recommended that a revised proposal be prepared to address the issues outlined below.

Recommendations:

1. The revised project should clarify the specific outputs from the project. It would for instance be useful to specify a series of training outputs by time including the following:

- \* Selection of training staff
- \* Purchase of training equipment

- \* The production of a master plan for training
- \* Establishment of demonstration areas
- \* Actual training output over time leading to the final outputs of trained technical staff and the 500 trainer forest operators mentioned in the current project proposal.

It should be noted here that the panel considered that the investment level suggested in the proposal was more commensurate with the production of a core of trained operators as well as simply training the trainers.

2. The revised proposal should also clarify who the full range of target groups is viz, is it just the recently displaced CENADEFOR and ONADEF workers, and if so, what specific new skills will the programme give to them?
3. The revised proposal should also clarify what is meant by the establishment of a "Centre ... within ONADEF" for the training programme as stated in section IV(1) on page 2 of the current proposal. No provision has been made for this centre in the proposed budget, and it would be useful to know if it is planned to use existing facilities for this purpose.
4. The revised project proposal should also provide more details about the "Pilot Zone Mapping Project" aspect of the proposal, particularly with regard to the specific outputs from the \$80,000 block allocated for this purpose in the proposal budget.
5. The revised project proposal should also provide a clear indication of how the trained silvicultural workers will be employed at the completion of their training. Obviously, there is little benefit in providing people with skills if the economic circumstances of the forest sector will not allow their ultimate employment. In addition, a clear indication should also be given of the Government of Cameroon's intention to maintain or even expand the training programme after the completion of the pilot project.

#### Assessments of Revisions

The Secretariat outlined how the above comments and recommendations had been responded to in the revised proposal. In particular the deletion of the Pilot Zone Mapping aspect was noted as was the fact that the Project would use existing infrastructure rather than seek to establish new buildings etc for a new "Centre". It was recommended that the Project be approved with an allocation of US \$161,000 for its implementation, subject to the submission of a detailed workplan.

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

The objective of the Project is to prepare a detailed strategic plan for the activities to be carried out by the Ecuadorian Forest Institute in its initial years.

The Institute has been suggested as a focal point for sustainable forestry in the country. Some of its major possible areas of activity are;

- a) forest inventory,
- b) reforestation and afforestation,
- c) silviculture,
- d) studies on social and economic impact of forest activities,
- e) support to forest based enterprises,
- f) maintenance of genetic diversity,
- g) protection of flora and fauna,
- h) agroforestry,
- i) watershed management,
- j) harvesting and transport,
- k) education, training and extension and
- l) establishment of demonstration areas.

The objective is to be achieved through a multi-disciplinary input of experts, national as well as international, governmental as well as non-governmental, over a period of six months.

The panel saw considerable relevance to both the ITTA and the ITTO Action Plan in the proposal to establish an Ecuadorian Forest Institute as the focal point for organizational development for the forest management sector in Ecuador. The panel again welcomed the fact that this proposal had been developed to be compatible with both the Tropical Forest Action Plan for Ecuador and Ecuador's current national strategic plan for development. However, the panel expressed some misgivings about the high number of consultants proposed for the project and how their activities would be effectively co-ordinated. It was also felt that there was an over-reliance on international consultants and that the total number of consultants could be streamlined somewhat, and that it was also desirable to increase the proportion of national consultants from Ecuador. The panel felt that the project should be re-drafted to meet these and other concerns as suggested below.

Recommendations

1. In the revised document, clarification should be provided as to how the proposed Institute will relate to other institutions in the forest management sector, both current institutions and any that may have been proposed under the Tropical Forest Action Plan.
2. Clarification should be provided in the revised proposal as to how the Forest Management Institute will take account of the results of the Strategy for a Sustainable Wood Industry Sector in Ecuador (PD 137/91) by describing the specific communication links that will be established between the projects.

3. The budget should be revised downwards by reducing the total number of consultants and by using national consultants from Ecuador in preference to international consultants wherever possible.
4. Related to (3) above, the revised proposal should specify an explicit list of expected outcomes for each phase of the project.
5. The revised project proposal should give some indication of the likely future commitment of the government of Ecuador to the Institute both in terms of funding and staff support. The potential financial role of the Institute should also be outlined in more detail, both as a "funnel" for managing development assistance funds for the forest sector, and with regard to the receipt and investment of the royalty earnings that must ultimately provide the financial basis for economically sustainable forest management activities.

The revised project which was submitted in response to the above comments appeared to have some arithmetical errors in the budget tables presented on page 14. On page 10 of the revised document under the heading "5a Inputs from ITTO", it will be noticed that a figure of US\$ 380,000 is mentioned. However, summing the ITTO components on page 14 gives a total of US\$ 437,930 which the secretariat entered into the project document. This action was taken as it was felt that the lower figure would not be consistent with the remainder of the project document and that if the project approved on this basis, it may be inadequately funded to achieve its objectives. This amended figure, together with the 10% contingency allowance, gives a final ITTO funding requirement of US\$ 481,723 as is now stated on the project document cover sheet.

#### Assessments of Revisions

The Secretariat noted how most of the above comments had been responded to in particular how the proposed use of international consultants had been reduced. However, the Committee still felt that the budgetary allocation was too high for a six month planning exercise, and recommended the Project for approval and implementation subject to the presentation of a reduced budget and a detailed workplan.

#### 11. PD 139/91 Rev.1 (F) Management Plan for the Sustained Production of Orey Forests in the Bocas Del Toro Province.

The proposal is for a 2 year project designed to undertake resource inventories and socio-economic studies and produce a forest management plan for the Orey forests. The aim of the management plan is to provide a sound basis for the production of forest-based income and employment for local residents and a sustainable supply of industrial timber for both national and potentially export use. By doing this, it is hoped that a pattern of sustainable development will be established that will reduce pressures for deforestation and provide a model for other similar areas in the region.

The panel felt that the proposed project could have considerable merit as a demonstration site linking sustainable timber production with



conservation, and that such a project would be consistent with the Charter of ITTO and the priorities of its Action Plan. However, as written, these integrated development priorities seem to be more reflected in the title of the report than in the body of its text. Thus, the panel felt that the revisions suggested below should be made.

#### Recommendations

1. The revised project proposal should include a more complete area summary detailing the project areas size, specific location and its key physical, biological and social characteristics.
2. The revised project proposal should place any proposed project activities firmly in the context of the ITTO Guidelines for the Sustainable Management of Natural Forests. In particular, it should be recognized that timber harvesting can only be considered to be sustainable if it is conducted in the context of integrated land use planning that also addresses such policy issues as the conservation of biodiversity and the maintenance of ecological support processes. As written, it is not clear from the current project proposal whether in fact this is the case. Thus, the revised project proposal should either:
  - a) Include provision of additional disciplines to ensure the development of capacity for land use planning and management planning that will produce an integrated sustainable forest development pattern, or
  - b) Clarify the relationship between the current proposal and the IUCN and CATIE projects outlining how together they might provide a sustainable development strategy for the Bocas del Lobo province.
3. Outline in the revised proposal how the effective participation of local communities will be secured in the management planning process. In particular the role of the rural sociologist in the proposed budget needs to be both clarified and possibly expanded.
4. Clarify the industrial end products that will be target by the produce from timber harvesting. Special consideration should be given to the economic linkages between these products and the sustainable management of the forest.
5. Clarify the titling of both Section 5 and 7 as "Objectives".

#### Assessments of Revisions

The Secretariat outlined how the revised Project document had responded to the above comments though the Committee felt that the mechanisms for achieving local participation needed to be outlined more explicitly. The project was recommended for approval with an allocation of US \$342,000 for its implementation subject to the production of a detailed work plan for the Secretariat.

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

The proposal is for a 3 year project designed to produce a plan of management for the Cativo forests of Darien. The area involved includes some indian reservations and the plan of management will aim to encourage sustainable production from the area in order to demonstrate to local communities the importance of protecting the forests from fire and excessive human settlements. The project activities will include resource inventories, socio-economic surveys, preparation of the management plan and training local people in some of the skills needed to eventually implement the plan.

This project stems from the recent TFAP exercise in Panama, which in turn reflected the critical wood shortage situation affecting both industry and rural communities. However, the project is apparently focused on an environmentally fragile area and the panel felt that any logging activities for timber production purposes would have to be particularly carefully managed if further land degradation was to be avoided.

Although a map of the area, a budget, and a general outline of the project were provided, the presentation did not conform with the ITTO project formulation format. In addition, clarification of a number of aspects of the proposal is necessary if it is to be adequately assessed in relation to the priorities of the ITTO Action Plan. Although 50% of the Cativo Forests are located in Indian Reserves and these communities are stated as the major beneficiaries, no social or economic study was included to determine just what kind of benefits are needed. The management plan also mentions training as a component of the project but this appears to be focused on implementation and could therefore be more correctly be seen as a result of implementing the plan rather than a component of the plan. In addition, the conservation of biodiversity does not seem to have been taken explicitly into account when formulating planning objectives.

Recommendations

In the light of the above comments, it is recommended that the project be reformulated to address the following points:

1. The plan area is only 30,000ha, and forms only 10% of the total area of the Darien Forest management Plan. In the revised proposal, the relationship of any detailed proposal for the Cativo Forests to TFAP or other projects or plans for the wider Darien Forests Area should be clarified to ensure that any proposed activities are a rational solution consistent with ITTO principles on sustainable management.
2. In any revised proposal, the social and environmental aspects must be addressed first and certainly before any logging commences on vulnerable terrain. In addition, a detailed inventory is required as is research to expand knowledge of the environmental effects of logging and the regeneration capability of Cativo Forests.
3. The budget and activities need to be presented in greater detail with particular attention given to clarifying the manner

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in which the project will meet the needs of both industry and the local population in a sustainable manner.

4. Taken in total, the above comments imply that a complete reformulation of the proposal as a pre-project activity may be the best way to gather the information that will allow the development of a plan to address the total needs of the forest, its environment and the people who depend on it for their survival.

#### Assessments of Revisions

The Secretariat outlined how the revised Project document had responded to the above comments though the Committee felt that the mechanisms for achieving local participation needed to be outlined more explicitly. However, the urgency of a rapidly deteriorating situation was recognized and the project was recommended for approval with an allocation of US \$677,460 for its implementation subject to the production of a detailed work plan for the Secretariat.

#### 13. PD 147/91 "El Telegrafo" Reforestation Project

The proposal is for a 3 year project which will form Phase I of a ten year integrated reforestation proposal for the "El Telegrafo" area in southern Ecuador. The area covers a coastal plane which experiences a tropical savannah climate that becomes progressively drier in the southeast. The natural vegetation consists of very dry tropical forest (v.d.t.f.); thorny tropical forest (t.t.f.) and desert tropical underbrush (d.t.u.) which develop tree heights from 5-20m, 3-20m, 3-10m respectively. The area has been logged exploitatively in the past and much of it is now degraded regrowth with little timber available for current utilization needs. The area is subject to some clandestine exploitation for charcoal production which is also interrupting natural recovery processes. The region's economy is suffering due water shortages, its lack of suitability for rain-fed agriculture and the impacts of deforestation including accelerating decertification.

The proposed reforestation project is a component of a wider regional development programme designed to both establish a network of reservoirs to encourage irrigated agriculture and to halt deforestation and decertification through forest management. The 3 year proposal involves the establishment of some 800ha of open field plantations and some 800 ha of enrichment planting for production purposes divided evenly between the v.d.t.f. and the t.t.f. areas. The proposal also involves some 1,200 ha of enrichment planting for protection purposes again divided evenly between the major forest formations plus some relatively small demonstration planting areas with less well known species and techniques. The production plantings aim to produce timber of high economic value for sawing, plywood manufacture and lamination, as well as producing secondary products such as fuelwood and fodder.

The proposal presented a summary of a financial analysis based on the full ten year establishment programme of 4,000 ha of plantings for production purposes and some 6,000 ha for protection purposes with a rotation length of 50 years and an effective rate of interest of 12%. With both the production and the protection components included (protection

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appearing as a cost only), the internal rate of return indicated in the summary was 10.4% rising to 14.8% if only the production component was undertaken.

The project presents an potentially useful proposal for integrated forest development for both industrial development and environmental protection and enhancement. Considerable data is presented in the proposal suggesting that it is the end result of comprehensive planning in the "El Telegrafo" area. However, despite this detail there are some aspects of the project that require further clarification viz,

- \* The basis of yield determination in the financial analysis - The internal rates of return on investment suggested in the project proposal seem quite high and it would be useful to see the production schedule used to produce financial outputs, together with an indication of the reliability of yield prediction in a environment considerably drier than that normally expected for optimal tropical forest production.

- \* Environmental impact assessment - the project has environmental enhancement goals that should address significant problems. However, it may still produce its own environmental changes that need consideration in the planning stage. For example, some temporary vegetation removal seems envisaged in the establishment of open field plantations and this may lead to further land degradation if such establishment operations are not well-managed. In addition, as water shortages are already a significant problem, some assessment of the impact of the water use of the new forests on the overall water balance or the water balance in strategic areas would seem to be essential. Because of factors such as these and the operational scale of the project, a full environmental impact matrix of expected environmental benefits and problems should be presented together with some indication of the management prescriptions that will be adopted to address the potential problems.

- \* Social impact assessment and community involvement strategies - deforestation and land degradation are often caused by social forces other than simply ignorance of ecosystem processes, and in many places, the good intentions of forestation programmes have been frustrated because the root social causes leading to land degradation have not been addressed at the same time. The project document mentions existing problems with clandestine charcoal gathering operations but does not outline a strategy for removing root causes behind these operations. Rather, stricter controls are mentioned but often such controls are not effective because there may not be the capacity to implement them effectively. A full social impact analysis for the project together with a community involvement strategy designed to remove the pressures leading to land degradation would therefore seem to be essential in order to be able to evaluate the likelihood of the project achieving its stated objectives.

#### Committee Assessment

It was explained how the above Proposal had not been able to be translated in time for review of the expert panel, and how the above review comments were those of the Secretariat. Considerable discussion related to the details of planning required and the ecological and socio-

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economic status of the area. Reports were heard from Committee members who had visited, or in one case, lived in the area, and there was general consensus that the project was necessary and well thought out, though many felt the yield and financial projections were very optimistic for the dry environment. However, the general feeling of the Committee was that while the project was most worthwhile, it was marginal to ITTO's core priorities because of its location in a very dry environment, and the Project was recommended for approval for sponsorship to other organizations for funding.

14. PD 148/91 Rev.1 (M,F,I) Seminar on the Economic Case for Natural Forest Management

The objective of the Project is to attract and discuss constructive ideas with regard to assessing and convincingly presenting the economic viability of sustained utilization and conservation of natural tropical forests, with particular emphasis on ITTO's role in the international trade in tropical wood products.

The panel recognized that the theme "Economic Case of Sustainable Tropical Forest Management" relates strongly to ITTO's Action Plan. However, since this theme is a very broad one and will be the subject of other international meetings that will take place before the date proposed in the project (November 1991), there is a need to focus down to some more specific topic, taking account as far as possible of the outcome of such other meetings. For example, the seminar could discuss ITTO's role in the international trade in tropical wood products and the relationship between the economic case and the sustainable management of tropical forests. The preparation of the papers for this seminar could take into account the discussions that will take place in the ITTO round table at Quito in May, 1991, on "The Agenda for trade in tropical timber from sustainably managed forests by the year 2000".

Assessment of Revisions

Only minor revisions were necessary to respond to the expert panels comments and the Project was recommended for approval and implementation.

15. PD 149/91 (F) Technical Workshop to Explore Options for Global Forest Management (the Follow-up Meeting)

The Council decided at the Ninth Session in November 1990 to co-finance as an ITTO activity a "Technical Workshop to Explore the Feasibility of Forest Options" which is designed to discuss the feasibility of managing forests to help ameliorate global environmental problems such as the increase in atmospheric concentrations of carbon dioxide and possible subsequent climate change. The Workshop was, when this Project Proposal was prepared, planned to take place in Bangkok from 24 to 30 April 1991.

This Project Proposal is submitted to enable a follow-up Workshop to be held if this is regarded as essential by the April Workshop.

The proposed follow-up Workshop should be held in the second half of 1991 preceded by a preparatory meeting in June 1991.

The objective and scope of the follow-up Workshop will be decided by the April Workshop. The output of the Project will be a report to be submitted to UNCED.

The objective of this project is to organize a workshop that will be a follow-up to another meeting that will be held in April 1991. Recognizing that its mandate is restricted to the technical appraisal of projects, the panel felt that it did not have the necessary technical information to evaluate this project proposal. This information will become available only after the April meeting takes place.

#### Assessment of revisions

A revised proposal was presented based on a report from participants of the Bangkok Seminar. The Committee expressed the view that the follow-up workshop should seek co-operative funding from other organizations and be focused on one of the two major objective areas outline in the revised document. The Project was recommended for approval and implementation with a maximum ITTO contribution of US \$100,000.

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

This two year project seeks to use seed funding to establish two forestry nurseries that by the end of the project period can generate sufficient income from the sale of seedlings to private landholders to become financially self-supporting and provide funds for the expansion of the programme to other areas. The project aims to:

- Develop and test a community-based reforestation mechanism and a forest management system that will be relevant to both the tropical areas and the Andean Altiplano in Ecuador.
- Promote the development of community-based forestry and agroforestry activities in appropriate areas to complement government programmes of reforestation, forest management, soil rehabilitation and catchment protection.
- Study the adaptability of various forest species in the different areas of influence of each nursery.
- Provide training and technical assistance to small scale farmers and forest owners so that they can establish and manage their forests and tree plantings to optimize their growth and economic yield.

This proposal was received close to the deadline for new projects to be reviewed by the panel of experts. However, due to the large number of projects received at the same time, a translation of the original Spanish document was not received early enough for the panel to review the project. However, the project fits in well with the priorities of both the ITTA and ITTO Action Plan, and if successful, could provide a useful model for other similar areas in at least other the Andean subregion. However, the work plan could be expanded to provide a clearer indication

of the actual research activities that are planned for the project. Explicit allowance should also be made for these activities in the budget.

One point of concern here is the need for socio-economic investigations amongst recipient communities to determine the precise landholder demands for forest seedlings and the locational criteria that should be considered in establishing the pilot nurseries. Some indication should also be given to indicate how the project will establish the adaptability of forest species in the different areas of influence of each nursery.

The revised project should give a clear indication of any previous studies that might indicate a demand amongst the proposed client groups for the nursery services outlined in the project proposal. Such a revised project proposal should also indicate:

- \* The timing and personnel and financial resources required for any socio-economic assessments needed to define community demands for nursery services and the locational criteria for the proposed pilot nurseries.
- \* The timing and resource requirements for studies to assess the adaptability of various species in particular nursery areas.

#### Committee Assessment

It was explained how the above Proposal had not been able to be translated in time for review of the expert panel, and how the above review comments were those of the Secretariat. The above issues were discussed in Committee and the additional problem of the selection and documentation of genetic material was raised. The Committee recommended that the Project be approved and implemented subject to the presentation of a detailed workplan for both the nursery establishment and research aspects of the proposal. The Committee felt that these work plans should, in particular, define both the consultative structures that would be established for communication with people living in the Project areas, and provide details of the provenance of the materials used for nursery propagation and outline the criteria used for their selection.

#### 17. PD 157/91 Rev.1 (F) The Establishment of An International Network of Genetic Resources Centres in Mangrove Species

This project was prepared by the participants of a workshop conducted as part of PD 76/90 Rev 1 (F) - see PCF(VII)6 for project report. The major aim of this Project is to assist human societies, particularly coastal communities, in the sustainable management and wise use of mangrove ecosystems and gene pools through a bio-diversity conservation strategy operated at national, regional and global levels. For this purpose, a global network of genetic resources centers, supported sustainably managed forest development and by appropriate training and information systems and coordinating mechanisms will be established.

The network will involve mostly existing conservation centers and sites and will help to fill critical gaps in ongoing efforts in genetic evaluation, classification and preservation.

Major activities of the network will be:

- a) development of a representative network of sites for the sustainable management of mangrove resources and the conservation of bio-diversity,
- b) investigations into and maintenance of genetic diversity of species represented at local and bio-geographic regional scales,
- c) organization of genetic and cyto-genetic research, involving both conventional and molecular techniques for the purpose of understanding the genetic architecture of mangrove germplasm,
- d) training of forest managers in sustainable mangrove management techniques, gene bank managers, restoration ecologists and allied professionals,
- e) development of information and communication systems,
- f) social science research and
- g) organization of international, regional and national workshops.

The Project will be implemented in three phases of which the first, preparatory Phase, scheduled for 1991 - 1992, will include:

- a) determination of priorities in genetic conservation and identification of network sites,
- b) pilot study on information systems,
- c) organization of trainers' training programme for sustainable management and gene bank conservation,
- d) develop linkages with social science institutions and
- e) initiation of measures needed to establish the global network.

During the second Phase, the implementation Phase, scheduled for 1992 - 1995, the conservation, research and training programmes prepared and initiated in the First Phase will be implemented.

In the third Phase, 1996 - 2001, the network activities will be consolidated and a network of genetic enhancement centers will be developed for breeding of genotypes with novel genetic combinations.

The Project implementation will take place in two geographic zones: an Eastern Zone comprising Asia/Pacific, Oceania and Eastern Africa, and a Western Zone made up of West Africa, Caribbean, North, Central and South America. For each Zone, specific implementation programmes have been outlined and some potential centers and institutions to take part in the programme have been identified.

The panel recognized the relevance of this project and its importance to the conservation and ecological security of coastal mangrove areas. Recalling that this project has been designed and formulated on the basis

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of the results of an ITTO-sponsored workshop held in Madras in January 1991, the panel commended the prompt action taken in preparing this proposal for establishing a network of genetic resources centres for adapting to sea level rise.

The panel felt that ITTO has a vital role in supporting requests for assistance for work to conserve genetic resources linked to sustainable management. It also expressed the view that this project, with slight improvements in its design, could be supported for recommendation to ITTO's Committee and Council for approval for sponsorship to other institutions for finance.

The panel felt that the important work proposed falls under the activities described in the ITTO Action Plan as activities that "should be most efficiently accomplished by influencing the work and priorities of other organizations". Furthermore, as directed and mandated in the ITTO Action Plan, the panel felt that "it is necessary to focus ITTO's actions and resources on areas of highest priority, and especially those in which the organization has exceptional and unique competence". In the case of mangroves, the panel believes that a proper approach for ITTO is to promote the conservation of the genetic resources of mangrove ecosystems through sustainable management of the resource, while encouraging other actions proposed in the project for action by other international organizations more directly concerned with such fields of gene pool conservation.

#### Recommendations

1. That the proposal be revised for possible sponsorship by ITTO, taking into account the following observations:
  - \* The project outputs need to be better clarified in order to permit the identification and verification of their realization in terms of quantity, quality, time and place.
  - \* The institutional framework and inputs of various cooperating agencies should be detailed.
  - \* The role of international and regional coordinator should be assigned to a more appropriate organization.
2. That ITTO should explore with other relevant international organizations the best and most appropriate options for continuing its cooperation in the field of mangrove management and conservation.
3. That ITTO should effect a wide dissemination of the results of the workshop on the establishment of network of genetic resources centres.

#### Assessment of Revisions

The Secretariat outlined how the revised Project document had responded to the above observations and how it gave greater emphasis to the link between conservation and sustainable utilization. The Committee viewed a presentation on the Project by the Delegate for India, Dr. Rajeshwari Mahalingham and considerable discussion about the relationship

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of the Proposal to ITTO priorities was held. Following these discussions, India produced a further revision for a Phase 1 Project that made the link between the Project and Sustainable management even more explicit, and the Committee recommends the approval and implementation of Phase 1 of the Project only.

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

The development objectives are to protect, through integrated forest management and development, the remaining forest resources of the Amazon from uncontrolled exploitation, to provide benefits for the people of the region in the form of goods, services and job opportunities and to preserve cultural values.

The Project will be implemented in a forest area of 4 484 093 ha in the provinces of Napo and Sucumbios and will have the following immediate objectives:

- a) updating land use information for the Project area and prepare land use maps in scale 1:100 000,
- b) planning the reforestation of areas under exploitation,
- c) optimization of the use of existing timber resources,
- d) establishment of an information center on management of forest resources in the Amazon region and
- e) strengthening of the Undersecretariat for Renewable Natural Resources.

Each of the immediate objectives will require research support and training of personnel, activities which are included in the Project.

The Project will be executed by a specially created, multi-disciplinary unit working under the supervision of the Undersecretariat for Renewable Natural Resources

The project involved a large amount of work that was all relevant to the direct concerns of ITTO with the exception of some aspects of wildlife management. The panel considered that the project was very ambitious in that it covered a wide geographic area and felt that this raised a number of questions with regard to practical outcomes for national planning. The panel felt that these concerns could be addressed by a revised proposal that addressed the issues outlined below.

Recommendations

The revised proposal should:

1. Reduce the number and complexity of the objectives to something more achievable within the framework of a 2-3 year project.
2. Clarify the relationship between the project and other institutional and policy developments, including those under Ecuador's TFAP.

3. Provide a list of specific project outputs capable of explicit monitoring and evaluation.
4. Reduce budget demands by greater emphasis on the use of local rather than international consultants.
5. Re-organize the presentation of the proposal so that there is clear itemization of the separate components such as personnel, research, training and institutional support.
6. Look to breaking up the project into viable self-contained components that would be more directly relevant to support under the ITTA, with other aspects of the integrated proposal being suitable for the support of other donors.

There appears to have been some minor arithmetic errors in the budget tables of the revised project proposal which if corrected will add an additional \$16,500 to the required ITTO contribution, lifting it to 1,283,000.

#### Assessment of Revisions

The secretariat outlined how the revised document had addressed most of the above observations and comments. Considerable discussion evolved and the Committee became aware of the potential for social conflict in the implementation of the Project, though, as presented, the objectives as presented were considered to be sound. The Project was therefore recommended for approval and implementation, subject to the Secretariat receiving a detailed workplan that amongst other things outlined:

- 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 project area.
- b. A steering committee to guide the technical conduct of the project.
- c. A time schedule for implementation, and a detailed budget breakup for the major budget headings presented in the Proposal.
- d. An indication of how environmental and social impact assessment would be handled during the implementation of the project.

#### 19. PD 161/91 (F) Sustainable Management for Production, Conservation, Demonstration and Extension in Moist, Dry and Sub-Montana Forests

This 8-year project will purchase and establish 3 forest sites of 800 ha each to demonstrate and promote the sustainable forest use in the selected forest types: moist tropical forest, dry tropical forest and moist foothill forest.

The project is divided in 3 phases of which phase 1 is designed to effect the identification, purchase and establishment of the 3 forest sites. Phase 2 will carry out research and demonstration activities on conservation of virgin forests and biodiversity; natural regeneration, logging and silvicultural techniques; soil rehabilitation; afforestation

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and reforestation; optimization of use of lesser known species and lesser used trees; and agro-forestry techniques. The last phase will ensure that the forest sites and plantations are sustainably managed while carrying out additional studies and promoting and disseminating the methods and knowledge generated.

The project is clearly relevant to both the concern of the ITTA and the ITTO Action Plan. However, the project scope may be too ambitious in that it covers several research areas and may require field work in a wide geographic area to cover the three different project sites. Also the project does not provide a detailed work plan specifying and scheduling activities and expected outputs.

The project phase 1 basically aims at identifying and purchasing land for the project activities and about 75% of the initial funds requested from ITTO are allocated to this end.

#### Committee Assessment

It was explained how the above Proposal had not been able to be translated in time for review of the expert panel, and how the above review comments were those of the Secretariat. The Committee felt that the Project had considerable merit but that it lacked sufficient detail on the various sub-component activities. The Committee also expressed the view that it was not appropriate for ITTO to expend funds on land purchase though the land use context in this particular case was appreciated. The Committee therefore indicated that it would welcome a revised project for already purchased lands that outlined Project activities in greater detail to allow more comprehensive evaluation.

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

The project will attempt to consolidate and extend existing growth and yield studies in previously logged forests so as to provide data in a policy relevant form for management planning within the framework of the Papua New Guinea National Forest Action Plan. The principal focus of the study will be the permanent timber stand improvement plot system established by the Papua New Guinea Forest Research Institute and its main objectives are to:

- (i) To provide for continuity in existing field measurements and data processing programmes.
- (ii) To design and establish an expanded series of plots to cover in time the full range of industrially significant forest types and to provide data on additional relevant socio-economic and biophysical variables.
- (iii) To develop predictive models and other wise strengthen the Papua New Guinea Department of Forests (DOF) capacity to utilize output data from the present and expanded plot series for management planning and yield control.
- (iv) To provide a research linkage with other relevant NFAP projects and in particular to provide data management and planning

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support for the proposed Management and Monitoring Task Forces and the Forest Resource Inventory programme.

- (v) To train additional staff to support the widening scope and intensity of the expanded permanent plot system as it develops.

The panel felt that the project was well presented and that it was clearly consistent with both the ITTA and the ITTO Action Plan. The particular difficulties of the PNG forest sector were noted as was the potential of PNG to make a major contribution to the international timber trade provided that an effective management regime can be developed. Institutional development and the development of human resources were seen as significant components of this process and the key role of the EESSTRU programmes in providing the research support for the PNG National Forest Action Plan was noted. It was also noted that the value of this particular project would be greatly diminished if the overall EESSTRU package was not conducted as an integrated programme and the panel noted that the remaining project proposals outlined in section 2 of the project proposal would be submitted in the next project cycle. Nevertheless, the panel felt that the current project proposal should be revised in a number of areas as detailed below.

#### Recommendations

1. The relationship of the project to previous projects should be clearly specified. In particular, the project document should outline:
  - a. The number of plots established under the existing TSI inventory system together with information on the range of forest types covered by this existing system.
  - b. The status of the data collected from this existing programme with regard to analysis and use in management planning.
  - c. The existing staff resources dedicated to inventory and data analysis programmes in both the FRI and the wider forest service.
2. The specific outputs of the project should be clarified in more detail viz, the number of new plots to be established, the number of additional forest types to be covered etc. In addition, it would be useful to define some specific objectives for the data analysis programme with regard to obtaining yield data for management planning purposes.
3. The panel recognized the high cost structure associated with the use of international consultants in PNG and recommended that consideration be given to increasing the number of local foresters in the PNG component of the project to ensure wider development of both field and data analysis skills in the FRI.
4. The panel also suggested that it would be useful to include provision of a study tour to areas with well developed tropical moist forest inventory and data analysis programmes for the PNG nationals engaged on the project.

Assessment of Revisions

The Secretariat outlined the response to the above issues in the revised document and the Committee expressed satisfaction with these responses and recommended the project for approval and implementation.

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

The proposal involves a small 2 year project designed to promote forest conservation and reafforestation within the Panama Canal watershed. The major focus of the project is the establishment of a nursery designed to produce seedlings of species such as Acacia mangium and mahogany (Swietenia macrophylla) for use in community-based agroforestry and reafforestation plantings. The programme also includes a linked local utilization-reafforestation system designed to promote sustainability. Another innovative aspect of the project is a forest wildlife farming research and extension project designed to increase landholder incomes from the forests and further reduce pressures for forest clearance.

The project is clearly relevant to both the concerns of the ITTA and the ITTO Action Plan. It has only a modest budget and has achievable outcomes. However, the project proposal did not provide a detailed work schedule summary or a time chart for expected outputs. There was also no allocation made for ITTO monitoring and evaluation or for the dissemination of research results to other areas. It is therefore recommended that the project be revised to:

- 1) Provide a detailed work schedule summary.
- 2) Provide a summary list of expected outcomes over time during the life of the project.
- 3) Make allowance for ITTO monitoring and evaluation and the reporting and dissemination of results from the action research aspects of the proposal to other areas.

This project was submitted by ANCON before the deadline for review by the panel of experts. However, its official status was not resolved until after the panel meeting and with the large number of proposals officially submitted by Governments could not be considered by the panel during its one week session.

Committee Assessment

It was explained how the above Proposal had not been able to be translated in time for review of the expert panel, and how the above review comments were those of the Secretariat. The above issues were discussed and a revised project with a reduced budget was recommended for approval and implementation subject to the submission of a detailed workplan to the secretariat.

22. PD 165/91 (F) Biotechnology Development for Forest Species in  
Ecuador

Committee Assessment

It was explained how the above Proposal had not been able to be translated in time for review or translation and timely distribution for delegates. The relevance of biotechnology applications to tropical forestry were discussed and the Committee indicated that it would welcome the opportunity of reviewing the project in the next Project Cycle.

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					
52/89 Rev.2	c,f and h	R & D	a,b,c,d and e	a,b,c,d, and e	1,028,400	4	Cameroon	2
119/91 Rev.1	f and h	Workshop		a,d and e	221,600	9 mo.	Ghana and other African countries	4
120/91 Rev.1	c,e,f and h	Manpower resources	a,b,c,d and e	a,b,c,d and e	1,652,380	3	Malaysia	2
125/91 Rev.1	b,c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	83,400	2	Amazon basin	2
128/91 Rev.2	c and h	R & D	a,b,c,d and e	a,b,c,d and e	489,000	3	Panama	4
130/91 Rev.2	c,f and h	R & D	c and e	a,b,c,d and e	780,600	3	Global	4
131/91 Rev.2	c,f and h	Implementa- tion	a,b,c,d and e	a,b,c,d and e	534,000	5	Cameroon	4
132/91 Rev.1	c,f and h	Training	b,c,d and e	a,b,c and d	161,000	2	Cameroon	4
138/91 Rev.1	c,e,f and h	Institution building	a,b,c,d and e	a,b,c,d and e	reduce	6 mo.	Ecuador	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					
139/91 Rev.2	f and h	Management planning	a,b,d and e	a,b,c and d	342,300	2	Panama	4
140/91 Rev.2	f and h	Management planning	a,b,d amd e	a,b,c and d	677,460	3	Panama	4
147/91	f and h	Development	a,b,c,d and e	a,b,c,d and e	382,000	3	Ecuador	6
148/91 Rev.3	a,c,e,f and h	Seminar			115,000	2 mo.	Global	4
149/91 Rev.3	a,c,f and h	Workshop	a,b,c,d and e	a,b,c, and d	100,000	2 mo.	Global	4
156/91 Rev.2	c,f and h	Operational development	a,b,c,d and e	a,b,c,d and e	211,636	2	Ecuador	4
157/91 Rev.2	a,c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	500,000 (Phase I) 1,500,000 (Phase II)	1 (I) 4 (II) 5 (III)	Asia/Pacific, Oceania & E.& W. Africa, Caribbean, N.C.S. America	4
159/91 Rev.2	a,c,e,f and h	Implementa- tion	a,b,c,d and e	a,b,c,d and e	1,161,900	2-1/2	Ecuador	4
161/91	c,e and h		a,b,c and d	a,b,c,d and e	542,300 (Phase I) 1,294,150 (Phase II) 808,500 (Phase III)	1 (I) 4 (II) 5 (III)	Ecuador	2

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					
162/91 Rev.1	c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	1,628,000	5	Papua New Guinea	4
164/91 Rev.1	c,f and h	Operational forest development	a,b,c,d and e	a,b,c,d and e	140,000		Panama Canal watershed	4
165/91								2

- \* 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 II

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Tenth Session  
Quito, Ecuador, 29 May - 6 June 1991

Distr. GEN.  
ITTC(X)/18  
6 June 1991  
Original: ENGLISH

DECISION 5(X)

ITTO GUIDELINES FOR THE SUSTAINABLE MANAGEMENT  
OF PLANTED TROPICAL FORESTS

The International Tropical Timber Council,

In accordance with Article 1(h) of the ITTA,

Noting the report of the Working Group to formulate "Guidelines for Management of Tropical Forest Plantations", established in Decision 2(IX);

Further noting that, in preparing these guidelines, the Working Group was asked to pay particular attention to environmental and social as well as economic considerations, and to consider as Tropical Forest Plantations:

- (a) pure plantations and monocultures
- (b) multi-species forests
- (c) agrosilvicultural forests (including dispersed planting in and between farmlands)
- (d) afforestation on degraded land (recultivation and protection)

Further noting the recommendation of the Permanent Committee on Reforestation and Forest Management contained on Document ITTC(X)/9 Rev.1 [PCF(VIII)/4].

Decides:

- (a) to adopt the ITTO Guidelines for the Sustainable Management of Planted Tropical Forests contained in document ITTC(X)/9 Rev.1 [PCF (VIII)/4];
- (b) to commend the ITTO Guidelines as an international reference standard to Members and the international community in general as a major contribution towards the goal of sustainable utilization of tropical forest plantations and environment protection;

Requests the Executive Director to publish the document widely and promote its use throughout the international community, whilst not preventing member countries from pursuing project proposals, in accordance with the objectives of the ITTA, and, to make available US\$30.000 for this purpose.

Invites member countries to take the ITTO guidelines into account when submitting project proposals in this field.

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Appendix III

Memorandum of Understanding

Project: PD 34/88 Chimanes, Bolivia

Interim Management of the Project

1. An interim Steering Committee for the Project will be established for the period leading up to the 11th Session of the Council.

The Interim Steering Committee will serve as a consultative body to the Bolivian Government and to the ITTO in managing and adjusting the Project during the period leading up to the 11th Session of the Council.

The interim Steering Committee will be composed as follows:

- \* one representative from each of the two indigenous areas;
- \* one representative of national conservation NGO's;
- \* one representative of the timber companies in the area;
- \* one representative of the Bolivian Ministry of Agriculture;
- \* one representative of the Civic Committee of the Department of Beni;
- \* the Project Manager;
- \* one representative of the ITTO.

The Steering Committee will be co-chaired by the representative of the Bolivian Government and the representative of ITTO.

2. The Executive Director of ITTO will designate a Project Review Team which, in consultation with the Interim Steering Committee, will present to the 11th Session of the Council proposals for

- \* a permanent Project Management structure, including a steering and consultation arrangement, and
- \* a revised project proposal and action plan for the future implementation of the project.

The Project Review Team will work under the following terms of reference:

- \* appraise and revise, where necessary, the existing Project in consultation with interested parties;

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- \* clarify whether there is community support for the existing Project format, and whether any modification or expansion of either Project goals or activities is necessary to achieve community support;
  - \* determine the relationship of the Project to the communities in or near the project area, in particular with regard to assessing the nature and extend of the problems involving the local communities, and make recommendations for resolving them in the future project.
3. The Project Manager will be responsible for managing the Project in the interim period in consultation with the Interim Steering Committee, with a view to undertaking the following minimum activities
- continue ongoing activities at the minimum level consistent with protecting existing project investments
  - clear demarcation, definition and labelling of all boundaries of indigenous areas, including their boundaries with remaining concessions;
  - increased patrolling and inspection to insure that neither the concessions nor other loggers illegally cut timber in indigenous areas;
  - \* offer technical assistance to and consultation with the indigenous groups, to help them decide o their land use and forest resource plans;
  - \* establish significantly reduced levels of timber harvest for each concession for this year.
  - \* continued monitoring and control of logging in concessions;
4. In order to implement these activities, the Project Manager is authorized to make the following expenditure during the interim period:

	<u>US\$</u>
A. Personnel	
Consultants	
Forestry and forest management	12,000
B. Forestry research	
(maintenance of ongoing activities at a minimum level)	20,000
C. Technical assistance to and consultation with local communities	5,000

D.	Protection systems for project areas indigenous community areas (demarcation of areas, monitoring posts, monitoring activities)	20,000
E.	Equipment and materials  (motorcycles, bicycles, forestry measurement equipment, camping equipment)	15,000
F.	Project travel expenses (tickets and DSA) (missions to project area and other)	10,000
G.	Review Mission	20,000
	Total	<u>102,000</u>

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PERMANENT COMMITTEE ON FOREST INDUSTRY  
Eighth Session  
Quito, Ecuador 29 May - 6 June 1991

Dist. GEN.  
PCI(VIII)/11 Rev.1  
6 June 1991  
Original : ENGLISH

REPORT TO THE INTERNATIONAL TROPICAL

TIMBER COUNCIL

EIGHTH SESSION OF THE PERMANENT COMMITTEE ON  
FOREST INDUSTRY

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## REPORT

### 1. Introduction

The Eighth Session was opened on 29 May 1991 by Dato' Baharuddin Haji Ghazali (Malaysia), the Chairman of the Committee. The list of Participants is reproduced in Document ITTC/(X)/Info.2 Rev.2.

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

At its first meeting on 29 May 1991 the Committee adopted the agenda of its Eighth Session as contained in Document PCI(VIII)/1 Rev.2.

### 3. Admission of Observers

The list of Observers admitted by the Committee is contained in Document ITTC(X)/Info.3 Rev.2.

### 4. Report of the Panel of Experts for the Technical Appraisal of Project Proposals

This item was considered by the Council. The account of the Council's consideration is reported in the appropriate section of the Council's proceedings.

### 5. Market Review and Outlook (Market Discussion)

The 1991 Market Review was, as an exception, of one day's duration because of the Council's decision to hold a two-day Round Table on ITTO's Strategy for Sustainability 2000 closely following the Market Discussions. The schedule of the Market Discussions is attached to this Report as Appendix A. As part of the background documentation requested for the review, only 11 members submitted Country Market Statements.

The other documentation provided were the "Elements for the 1991 Annual Review and Assessment of the World Tropical Timber Situation" prepared by the Secretariat, and the worksheets which are tables prepared by the Secretariat on the basis of statistical data provided by members in their responses to the ITTO Annual Forecasting Enquiry and on the Country Market Statements.

The main theme of the discussions was: "Trends in the Trade and Tropical Timber Products in the Latin American/Caribbean Region. A key-note speaker gave an overview presentation of the topic. This generated exchange of views and other presentations focusing on perspectives in Brazil, North America and Europe.

The Market Discussions also benefitted from a host country presentation on "The Forest Resources Situation, the Developments in the Timber Trade and Industry of Ecuador".

The synthesis of the Market Discussions was reflected in the General Tropical Timber Market Statement 1991 which was considered and approved by the Committee and subsequently released to the press.



The General Tropical Timber Statement 1991 together with Summary Tables of the Tropical Timber Market Forecasts Worksheets for 1989-91 figures as Appendix B to this Report.

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

This item was integrated into the Market Discussions since the subject was closely inter-related. The document prepared by the Secretariat on this item: "Elements for the 1990 Annual Review and Assessment of the World Tropical Timber Situation" served as a working document for the discussions. The Secretariat pointed up the gaps in information needed to prepare a comprehensive report. The main cause of this, it was pointed out, was the failure of many members to comply with their obligation to provide good quality, comprehensive information and to ensure a timely response to the ITTO Annual Forecasting Enquiry and to submit the Country Market Statements requested of them.

The Joint Session was informed of the measures being taken by the Secretariat to produce a revised Annual Forecasting Enquiry which would be circulated to members as from August 1991. This revised version would simplify the responses required and facilitate a complete and timely response to the Enquiry.

Following an exchange of views on the general market situation, the Committee made recommendations to revise the text of the "Elements for the 1990 Annual Review":

- (i) The Committee recommended that each member nominate henceforth a country correspondent who would be responsible for coordinating the responses of his country to the ITTO Annual Forecasting Enquiry as well as the preparation and prompt submission of the Country Market Statements. It was noted with satisfaction that immediately following this proposal several country delegations proceeded to submit the names of their correspondents.
- (ii) The Committee further recommended that, as in previous years, the "Elements for the 1990 Annual Review" should be revised by the Secretariat in the light of comments and any updated information which were provided during the Market Discussions. The Council might also request participants to forward to the Secretariat by 1 August 1991 any other suggestions for revisions.

7. Report on Completed Projects

The Committee took note of the report on the document PCI(VIII)/4 which informs on the work completed under projects:

PD 3.e/87 (I)	Proposals for Actions in Favour of the Lesser Known Species: e. Creation of an International Research and Development Network
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PD 16/87 Rev.1 (I) Research and Development on the Standardization of Tropical Timber at the Andean Sub-Regional Level  
Phase I: Review of the Current Situation of Timber Standardization and Development of Work Plan for Subsequent Phases

The Committee also took note of an oral presentation by Mr. Lee Jimmerson, independent consultant, on a terminal evaluation of ITTO completed projects within the program to promote lesser-known species (PD 3.d/87, PD 3.e/87, PD 18/87 Rev.1, and PD 20/87). The Committee expressed its thanks to Mr. Lee Jimmerson for his work and presentation and requested the Secretariat to distribute the report(s) to Members.

While agreeing that overall the implementation of the projects was fairly successful, the Committee took note of certain implementation difficulties that impeded full attainment of planned outputs and fulfilling of project objectives in a few cases. The Committee stressed its view on the importance of mid-term evaluation to identify problems early on in the projects' implementation and allow for proper adoption of proper correction measures.

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

The Committee reviewed the progress of work in twenty-three ITTO approved projects in the field of Forest Industry, fifteen of which are already funded. The full report on project work in progress is reproduced in document PCI(VIII)/3.

Further information on project implementation progress was given by the delegations of Cameroon (PD 3.e/87), Finland (PD 4/87 Rev.1), Malaysia (PD 11/87), Peru (PD 37/88 Rev.3), Republic of Korea (PD 54/89), and Japan (PD 117/90).

On the basis of a proposal submitted by the Government of Papua New Guinea, the Committee agreed and decided to recommend to the Council that project PD 108/90 (I) be restructured to reflect the amendments in the project outputs, activities and inputs. The Committee recognized that the proposed modifications improved the project design and avoided duplication and enhanced coordination with other projects planned under the national TFAP. The revised project proposal is reproduced in Document PD 108/90 Rev.1 (I).

The Committee expressed satisfaction with the results of the first training workshop on project identification and formulation, convened under project PD 73/89 (I), in February/March 1991 in Bangkok. Noticing that a second training workshop will be convened for French-speaking African Members in June 1991 and recalling that the original project document plans as well as training workshops for Latin American/Caribbean and English-speaking African Members, the Committee decided to recommend to the Council that the project budget and funds be increased by US\$ 135,000 to finance the Latin American/Caribbean workshop.

The Committee took note of a full report on the project PD 4/87 Rev.1 (I), presented by the project coordinator from the Forest Training Programme. The Committee expressed its appreciation to the Forestry Training Programme (the implementing agency) for the timely implementation

and for successfully convening in Africa and Latin America the first two regional training workshops on Planning Forest Industries in Developing Countries.

The Committee decided to recommend to the Council to discontinue consideration of implementation of project PD 80/90 (I) "Second Consultation on the Wood and Wood Products Industry", as the consultation was convened in January 1991.

The Committee reiterated the view that the process and operations related to evaluation and monitoring of projects under implementation must be improved and strengthened.

9. Report on Completed Pre-Projects

The Committee took note of the executive summary of the pre-project study on "Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines" (Philippines). The Government of the Philippines informed that it has prepared and submitted to ITTO a project proposal based on the Pre-project Study findings. The proposal will be considered by the Committee at its next session.

10. Report on Pre-Project Work in Progress

The Committee took note and reviewed the progress of work on the following pre-project studies:

- (i) Industrial Processing of Rubber Wood Timber in Africa (Cameroon, Côte d'Ivoire, Ghana, Liberia)
- (ii) Tropical Timber in Construction and Harmonization of Stress Grading Rules
- (iii) Development Work to Phase Out Trade on Unsustainably Produced Timber: I - Assessment of Future Mahogany Supply and Alternative Industrial Operations for Sustainable Production;
- (iv) Institutional Strengthening of IBAMA's Forest Products Laboratory;
- (v) Manpower Development of the Sarawak Forest Sector.

11. Consideration of Project Proposals

Taking into account the Report of the Panel of Experts for Technical Appraisal of Project Proposals, the Committee appraised and evaluated nineteen proposals:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 94/90 Rev.2 (I)	Integration of Forest-Based Development in the Western Amazon - Phase II - Technology for Sustainable Utilization of Raw Forest Materials	Government of Brazil
PD 109/90 Rev.1 (I)	Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire	Government of Côte d'Ivoire
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 123/91 Rev.1 (I)	Training Programme on Furniture Production	Government of Malaysia
PD 133/91 Rev.1 (I)	Technological and Dendrological Study on Schinopsis (Anacardiaceae) in Chiquitania and the Bolivian Chaco	Government of Bolivia
PD 134/91 Rev.1 (M,I)	Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase II	Government of the Netherlands
PD 137/91 Rev.1 (I)	Strategy for a Sustainable Wood Industry Sector in Ecuador	Government of Ecuador
PD 143/91 Rev.1 (I)	Non-Wood Tropical Forest Products: Processing, Trade and Collection	Government of Brazil
PD 145/91 Rev.1 (I)	Research, Training and Demonstration Activities in the Use of Eucalyptus	Government of Ecuador
PD 146/91 Rev.1 (I)	Establishment of a National Timber Furniture Design Center	Government of Ecuador
PD 150/91 Rev.1 (I)	Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Sub-Region	Government of Peru

PD 151/91 Rev.1 (I)	Selection of Lesser-Known Tropical Timber Species of the Andean Sub-Region for Specific End-Uses	Government of Peru
PD 152/91 Rev.1 (I)	Harmonization and Promotion of Technical Tropical Timber Standards in the Andean Sub-Region	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
PD 154/91 Rev.1 (I)	Integrated Development of Timber and Timber Product Marketing Structure in Ecuador	Government of Ecuador
PD 155/91 Rev.1 (I)	Sustained Forest Industry Development in the Andean Group Countries	Government of Ecuador
PD 160/91 Rev.1 (I)	International Workshop on Improved Utilization of Timber Resources in Southeast Asia	Government of Malaysia
PD 163/91 Rev.1 (M,I)	Technical Assistance in (a) Marketing Information Set-Up and Techno-Economics (b) Wood Processing Technology	Government of Malaysia

The Committee expressed the view that some of the project proposals considered were not appropriately prepared and did not contain all needed information to allow proper consideration and technical appraisal. However, the Committee recognized that the Panel mechanism set by the Council has contributed significantly to improve most of the project proposals and that it seems to be an effective tool to assist the Committee with the technical appraisal of projects.

The Committee also considered two project ideas:

NUMBER	TITLE	SUBMITTED BY
PCI(VIII)/7	Utilization, Market Research, International Trade and Promotion of Non-Conventional Tropical Timber Species for Different Industrial Uses	Government of Bolivia

PCI(VIII)/8

Providing Consultancy Services  
to the Timber Industry on  
Production Technology and  
Industrial Organization

Government of  
Bolivia

The detailed results of the Committee's evaluation and appraisal of project proposals, pre-projects and ideas are presented in Appendix I.

12. Decision on Pre-Project Work

The Committee decided to implement a pre-project study on "Technical and Economic Feasibility of Large-Scale Construction of Wooden House in Brazil", submitted by the Brazilian Government. The proposal describing the approved pre-project is reproduced in document PCI(VIII)/6. The Committee further decided to implement two pre-projects to assist the Ecuadorian Government and the country's National Association of the Small Scale Timber Industrialists to review and redraft their respective project proposals numbered PD 145/91 Rev.1 and PD 146/91 Rev.1. The respective approved pre-projects are entitled "The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja, Ecuador" and "Feasibility of a Promotion Center for Furniture Manufacturing in Ecuador". The terms of reference for these two pre-projects are reproduced in Appendix II and III, respectively. The detailed results of the Committee's evaluation and decision on this pre-project proposal is presented in Appendix I.

13. 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. Eric Lammerts van Bueren (The Netherlands), Dr. Gary R. Lindell (U.S.A.), Dato' Baharuddin Haji Ghazali (Malaysia), Dr. Amantino Ramos de Freitas (Brazil), and Prof. Nils-Erik Nilsson (Sweden). The applications approved are listed in Appendix IV.

14. Dates and Venue of the Tenth Session

The Committee decided that the date and venue of its Tenth Session will be agreed upon by ITTC in its Tenth Session.

15. Any Other Business

The Committee recommended that documents for its future sessions be printed and copied in recycled paper using as far as possible both sides of paper sheets.

16. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

1. To approve for implementation by ITTO the project proposals:

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PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 94/90 Rev.3 (I)	Integration of Forest-Based Development in the Western Amazon - Phase II - Technology for Sustainable Utilization of Raw Forest Materials	Government of Brazil
PD 121/91 Rev.2 (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 123/91 Rev.2 (I)	Training Programme on Furniture Production	Government of Malaysia
PD 133/91 Rev.1 (I)	Technological and Dendrological Study on Schinopsis (Anacardiaceae) in Chiquitania and the Bolivian Chaco	Government of Bolivia
PD 134/91 Rev.1 (M,I)	Selection and Introduction of Lesser-Known and Lesser-Used Species for Specific End-Uses - Phase II	Government of the Netherlands
PD 137/91 Rev.1 (I)	Strategy for a Sustainable Wood Industry Sector in Ecuador	Government of Ecuador
PD 143/91 Rev.2 (I)	Non-Wood Tropical Forest Products: Processing, Trade and Collection	Government of Brazil
PD 150/91 Rev.1 (I)	Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Sub-Region	Government of Peru
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 152/91 Rev.1 (I)	Harmonization and Promotion of Technical Tropical Timber Standards in the Andean Sub-Region	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
PD 154/91 Rev.2 (I)	Integrated Development of Timber and Timber Product Marketing Structure in Ecuador	Government of Ecuador
PD 155/91 Rev.2 (I)	Sustained Forest Industry Development in the Andean Group Countries	Government of Ecuador
PD 160/91 Rev.2 (I)	International Workshop on Improved Utilization of Timber Resources in Southeast Asia	Government of Malaysia

2. To recommend that the following project proposal be revised:

PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 109/90 Rev.1 (I)	Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Côte d'Ivoire	Government of Côte d'Ivoire
PD 145/91 Rev.1 (I)	Research, Training and Demonstration Activities in the Use of Eucalyptus	Government of Ecuador
PD 146/91 Rev.1 (I)	Establishment of a National Timber Furniture Design Center	Government of Ecuador
PD 163/91 Rev.1 (M,I)	Technical Assistance in (a) Marketing Information Set-Up and Techno-Economics (b) Wood Processing Technology	Government of Malaysia

3. To recommend to Council that the budget and funds of approved project PD 73/89 (M,F,I) "Assistance for Project Identification and Formulation" be increased by US\$ 135,000 to finance the Latin American regional training workshop planned in the project document.
4. To further recommend to the Council that project PD 80/90 (I) "Second Consultation on the Wood and Wood Products Industry" be dropped from its pipeline as the Consultation was already convened in January 1991.
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:

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PROJECT NUMBER	PROJECT TITLE	SUBMITTING GOVERNMENT
PD 43/88 Rev.2 (I)	Study for the Marketing of Tropical timber and Promotion of the Consumption of Less Well Known Species on International Markets: Phase 1 - Promotion for Selected Asian Markets	Government of Brazil
PD 48/88 Rev.1 (I)	Drying Mixtures of Tropical Hardwoods	ITTO Secretariat
PD 49/89 (I)	Creation of International Promotion Center for Lesser Known Species in Europe (Preparatory Phase)	Government of France
PD 65/89 (I)	Promotion of Imports of Tropical Sawnwood in China (Preparatory Phase)	Government of China
PD 67/89 (I)	Training Program on Mechanical Processing Operations in the South American Sawmilling and Plywood Industries	Government of Brazil
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

17. 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 Art.23 Para.2	Art.23 Para.5	CRITERIA Art.23 Para.6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
PD 94/90 Rev.3 (I)	b,e,f,g,h	R & D demonstration	a,b,d,e	a,b,c,d,e	\$ 1,875,000	3 years	Brazil	4
PD 109/90 Rev.1 (F,I)	b,e,f,g,h	R & D inventory	a,b,d,e	a,b,c,d,e	\$ 7,930,000	5 years	Ivory Coast	2
PD 121/91 Rev.2 (I)	e,g	R & D transfer of technology	a,e	a,b,c,d,e	\$ 118,148	2 months	Malaysia	4
PD 122/91 Rev.1 (I)	b,e,g	R & D/marketing	a	a,b,c,d,e	\$ 183,000	4 months	Malaysia and EEC	4
PD 123/91 Rev.2 (I)	c,e	training	a	a,b,c,d,e	\$ 143,500	9 months	Asian producers	4
PD 133/91 Rev.1 (I)	c,f	R & D	a,b	a,b,c,d,e	\$ 129,900	18 months	Bolivia	4
PD 134/91 Rev.1 (M,I)	b,d,e,g	marketing	a	a,b,c,d,e	\$ 183,000	6 months	Global	4
PD 137/91 Rev.2 (I)	b,e,f,g,h	R & D	a,b,d,e	a,b,c,d,e	\$ 468,523	11 months	Ecuador	4
PD 143/91 Rev.2 (I)	c,f,g,h	R & D	a,b	a,b,c,d,e	\$ 374,000	24 months	Brazil	4
PD 145/91 Rev.1 (I)	b,c,e,g	R & D	a	a,b,c,d,e	\$ 894,885	40 months	Ecuador	2
PD 146/91 Rev.1 (I)	c,e,f	R & D training seminar	a,c,d	a,b,c,d,e	\$ 189,223	3 years	Ecuador	2
PD 150/91 Rev.1 (I)	b,c	R & D nomenclature & standardization	a,b	a,b,c,d,e	\$ 550,000	3 years	Andean Region	4
PD 151/91 Rev.2 (I)	b,c	R & D marketing	a	a,b,c,d,e	\$ 80,000	1 year	Andean Region	4
PD 152/91 Rev.1 (I)	b,c	training & harmonization of standards	a	a,b,c,d,e	\$ 316,000	2 years	Andean Region	4
PD 153/91 Rev.1 (I)	b,c	pre-feasibility study	a,b	a,b,c,d,e	\$ 105,000	6 months	Andean Region	4
PD 154/91 Rev.2 (I)	b,d,g	R & D/marketing	a	a,b,c,d,e	\$ 244,000	18 months	Ecuador	4
PD 155/91 Rev.2 (I)	b,c,e,f,g	seminar	a,b,c,d,e	a,b,c,d,e	\$ 184,000	1 year	Andean Region	4
PD 160/91 Rev.2 (I)	c	workshop	a,e	a,b,c,d,e	\$ 121,360	---	Asian producers	4
PD 163/91 Rev.1 (M,I)	b,c,d,e,g	technical assistance	a,e	a,b,c,d,e	\$ 2,393,100	3 years	Malaysia	2

APPENDIX I  
TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF FOREST INDUSTRY

PROJECT	ITTA	AREA OF ACTIVITY	CRITERIA		ITTO	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
	OBJECTIVES Article1	Art.23 Para.2	Art.23 Para.5	Art.23 Para.6	BUDGET (US\$)			
PRE-PROJECT								
The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja, Ecuador					\$57,000	Ecuador		3
Feasibility of a Promotion Center for Furniture Manufacturing in Ecuador					\$30,000	Ecuador		3
Technical and Economic Feasibility of Large-Scale Construction of Wooden House in Brazil (PCI(VIII)/6)					\$77,500	Brazil		3

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

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## APPENDIX I

### TECHNICAL EVALUATION OF PROJECT PROPOSALS COMMENTS ON FOREST INDUSTRY PROJECTS

- (1) PD 94/90 Rev. 2 (I):      The Integration of Forest-Based Development  
   in the Western Amazon - Phase II -  
   Technology for Sustainable Utilization of  
   Raw Forest Materials (Government of Brazil)

The Committee endorsed the Expert Panel's recognition of the importance of the Acre project as a potential international demonstration area for integration of sustainable development and forest conservation as an alternative to the more common but often environmentally destructive and unsustainable development of forest conversion for agriculture, pasture and tree crops. The Committee took note of reports on the completion and evaluation of the results of the project phase I (mostly resource inventory work) but regretted that those were not made available early enough to allow proper consideration by specialized agencies in the Member countries.

The Committee agreed that any logging to be carried out in the project should be at the lowest possible intensity, still allowing for the collection of information and management studies to test the model. Logging operations should be labor intensive and use as far as possible available local people. Logging operations should not, at this stage, be implemented with the objective of generating revenues. The Committee also recommended that the logging intensity also be considered in consultation with the National Rubbers Tappers Council and other NGO representatives in the Consultative Committee. The Committee further recommended that all logging and management operations be fully implemented in accordance with the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests in particular taking into account of sections related to roads and harvesting.

The Committee expressed concern for the need to assure the social acceptability of the project and expressed satisfaction with the information provided by the Brazilian delegation on agreements between the implementing agency and representative NGOs in the Consultative Committee. This would facilitate the NGOs contact and consultations to improve the organization of the local community and its participation in the project activities, including the work and decisions related to improvement of social services in the project area. The Committee agreed that these agreements shall be reflected in the addendum of a third revision project document or in the implementation contract.

Considering the importance of the project and the divergence of interests in the area, the Committee recommended the enhancing of the ITTO monitoring process with the inclusion of joint monitoring measures including the participation of the Consultative Committee.

The Committee expressed its view on the importance of the regularization of the land tenure situation in the project area. The Committee took note of the statement of the Brazilian delegation informing

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that the Federal Government is finalizing the legal formalities to complete a land regulation process, while reaffirming that prompt regularization is essential for the project success.

The Committee noted that no budgetary provisions were made in the project to provide protection and limit illegal access to the area once roads are opened up. The Committee stressed that access to the area should be controlled to avoid unplanned forest disturbance or settling and that the need to provide inputs for protecting the area should be considered early in the implementation monitoring and review process.

The Committee decided that the above recommendations shall be reflected either in a project addendum or in the implementation contract.

- (2) PD 109/90 Rev.1 (I): Assistance to Modernization, Restructuring and Development of Wood-Based Industries in Ivory Coast  
(Government of Ivory Coast)

The Committee reiterated its earlier views on the need to improve forest management and to promote modernization and long term sustainable wood industries in Cote d'Ivoire. The Committee regretted that no delegation of Cote d'Ivoire attended the Session to allow a fruitful discussion and clarification of issues raised in the meeting. Noting that this is a large project whose implementation will have considerable impact, the Committee agreed that more information and discussion is needed, particularly on:

- (i) the objectives of the forest management in regard to local people's needs and scope and provisions for local people involvement, participation in and management of the project; in particular the Committee asked to clarify what resettlement arrangements were proposed for squatters referred to in the documentation;
- (ii) the degree of consultations held with the World Bank which is a leading agency in forestry aid in Cote d'Ivoire and is already supporting an inventory of about 700,000 ha of gazetted forest, which may overlap with work proposed under this project;
- (iii) the program for expansion of forest plantations in Savannah zones, which raises concerns related to the conservation of these important ecosystems;
- (iv) existing forest policies, noting that a proper forest policy is a pre-requisite for inventory work and that inventory of non-forest areas is also needed for sound land-use policy and appropriate land allocation;
- (v) how ITTO monitoring will be optimized and effected.

The Committee also expressed doubts on the appropriateness of ITTO financing large scale inventory work and recommended that Cote d'Ivoire consider replacing this large project by a number of smaller project with clearly defined activities which meet the priorities of the ITTO Action Plan.

- (3) PD 121/91 Rev.1 (I): Entrepreneurship Development in the Furniture Industry  
(Government of Malaysia)

The Committee supported the view of the Panel of Experts that the project is appropriate and fits in the ITTO Action Plan in the field of Forest Industry. The Committee noted that following the Panel's recommendations the revised proposal now included provisions for participation of a larger number of furniture mills and defined criteria for selection of companies.

The Committee recommended that the project be further revised to:

- (i) allow also participation of furniture companies producing for the local market but with a potential to export;
- (ii) improve the terms of reference for the consultants' work;
- (iii) consider MTIB financial support to fund costs of local travelling; and
- (iv) further expand the use of the training and benefits to the whole Malaysian export furniture sector, through a national seminar and by other means.

The Committee decided that this revision be effected during the session {PCI(VIII)} enabling the project to be recommended for Council approval.

The Committee also recommended that the project budget be increased by US\$ 5,000 to support ITTO monitoring and evaluation costs.

The Committee decided to recommend for approval a revised project proposal (PD 121/91 Rev.2 (I)) drafted during the Session taking into account of the above concerns and recommendations.

- (4) PD 122/91 Rev.1 (I): Furniture Export Marketing Programme for the EEC  
(Government of Malaysia)

The Committee agreed with the Panel of Experts on the merit of this project to promote marketing of tropical timber products and enhancing market skills. It was also noted that the results and findings of ITTO sponsored market studies carried out by the ECC Timber Committee and ITC provide valuable information and methodology guidelines which shall be used to enhance the practical marketing activities to be implemented under this project.

The Committee sought and got clarification from ATTC over possible duplication of work. ATTC informed that practical marketing activities to promote tropical timber exports will only be included in its second phase whose work program will start towards the end of 1992.

The Committee stressed that the marketing strategy guiding trade promotion activities be geared to clearly demonstrate and convince importers and consumers that Malaysian furniture products are manufactured with wood raw materials produced on a sustainable basis.

The Committee stressed its view that private companies shall bear the travelling costs for their participation in the trade fairs and visits to importing companies, noting with satisfaction that this Panel recommendation was taken into account in the project reformulation.

Questions on how the project activities will benefit the whole Malaysian furniture sector were raised and the Committee agreed to recommend that the implementing agency should prepare reports and hold discussions and meetings within Malaysia to disseminate the project findings and information gathered to furniture mills not participating directly in the project and to other concerned parties in Malaysia.

The Committee recommended that the project budget be increased by US\$ 5,000 to contribute to ITTO monitoring and evaluation costs.

- (5) PD 123/91 Rev.1 (I): Training Programme on Furniture Production  
(Government of Malaysia)

The Committee agreed with the expert Panel's view that the project is appropriate and commendable to ITTO and that it fits in with the Action Plan program area "Human Resources Development, as Means of Improving Industrial Efficiency, Product Performance and Quality and Strengthening Management Skills".

The Committee particularly commended the project for its regional scope and coverage.

The Committee requested further revision of the project document and agreed to recommend for approval a new draft {PD 123/91 Rev.2 (I)}, including the following provisions and amendments:

- (i) a budget reducing the ITTO contribution and increasing the contribution of the private sector towards funding the training program;
- (ii) more accurate airfares; and
- (iii) a budget allocation of US\$ 5,000 to fund ITTO monitoring and evaluation costs.

- (6) PD 133/91 Rev.1 (I): Technological and Dendrological Study on Schinopsis (Anacardiaceae) in Chiquitania and the Bolivian Chaco (Government of Bolivia)

The Committee noted that this project is the initial part of a series of projects that the Bolivian Government will design to optimize the regeneration and sustainable utilization of the Chaco dry forest resources. Though expressing reservations on the limited sub-regional scope of the project and its seemingly low impact in international trade the Committee felt that the proposal will still be valuable if it contributes to reduce the pressure on the overexploited Quebracho Colorado species, as planned in the project document.

The Committee recommended that the planned wood technology research be not limited to railway sleepers, but also making efforts to find other potential uses and markets as the planned nationalization of Bolivian railways may affect the demand for the former product.

The Committee expressed its satisfaction with the inclusion in the project document of an addendum proposing to carry out initial studies on distribution, regeneration and growth of schinopsis species, in an attempt to comply with the Panel's recommendation regarding the sustainable supply and utilization of these species. The Committee recommended that all the wood utilization studies and recommendations take into account the sustainability requirements.

The Committee also recommended that the project budget be increased by US\$ 10,000 to support ITTO monitoring and evaluation costs.

- (7) PD 134/91 Rev.1 (M,I): Selection and Introduction of Lesser-Known and Lesser-used Species for Specific End-Uses Phase 2 (Government of the Netherlands)

This project (Phase 2) proposes the implementation of marketing promotion activities as part of a long term program of work on selection and introduction of lesser-known species. Phase 1 was financed by ITTO under project PD 18/87 Rev.1 (I), and produced a computer-based analytical system that allows for the matching of twenty-one wood properties with several criteria for six selected end uses.

The Committee supported the Expert Panel's recognition of the value of the project to stimulate and promote the production, utilization and trade of lesser-known species.

The Committee was satisfied with the project reformulation which effected budget reduction and provided elements for assessing the feasibility of introducing silvicultural, regeneration and production regime (sustainability) in the Data Bank and computer model, as recommended by the Expert Panel.



The submitting Government clarified that the cooperating Governments listed in the project document cover page will effect their participation through technical agencies in the respective countries. These agencies have already been approached and consulted by the Dutch implementing agency.

The Committee stressed that ultimately the project should be self-financing and mechanisms have to be designed to assure that the ITTO Secretariat will be able to maintain the system. In this connection, the Committee recommended that the Secretariat should have a seat in the advisory group. The Committee also agreed that dissemination provisions shall be included later (phase 3 or 4), when the system becomes sufficiently upgraded and is made more valuable to the trade and industry.

The Committee recommended that the budget be increased by US\$ 5,000 to cover the costs of ITTO Secretariat participation in the advisory group.

The implementation of this project shall also take into account the evaluation report of the first project phase (PD 18/87 Rev.1 (I)) prepared by an Independent Consultant and discussed during the Session.

- (8) PD 137/91 Rev.1 (I):      Strategy for a Sustainable Wood Industry  
   Sector in Ecuador  
   (Government of Ecuador)

This 11-month project will prepare a basic plan for the sustainable development of Ecuadorian wood processing industries, based on a reliable assessment of the forest resources in the country and of the long-term demand and supply outlook for forest products. The Committee endorsed the Expert Panel's view that this project is highly relevant to both the ITTA and the ITTO Action Plan.

The Committee recommended that the project be implemented in close consultation with local communities and non-governmental organizations and that proper consideration be given to anticipate conflicts over land use allocations and planning of forest estates. The Committee further recommended that the seminar planned in the project activities be convened early in the implementation thus making use of the meeting to initiate the needed consultation process.

The Committee pointed out that the project work will involve a survey of land uses in Ecuador and the determination of sustained yield in selected forest estates allocated for permanent timber production, tasks that will require the up-dated information on resources, forest industries and markets. In this connection, the Committee recommended the collection and use of all relevant information, including the reports prepared by the INFORDE project implemented with assistance of USAID.

The Committee decided to recommend for approval a revised project proposal (PD 137/91 Rev.2 (I)) drafted during the session taking account of the above concerns and recommendations.

- (9) PD 143/91 Rev.1 (I): Non-Wood Tropical Forest Products:  
Processing, Trade and Collection  
(Government of Brazil)

This 24-month project will study the non-wood forest products on a selected pilot tropical forest area. The Committee supported the Panel's recognition of the value of this project and its importance to provide needed information on the role of non-wood forest products as integral and in some instances essential components of sustainable forest management. Moreover, the Committee commended the project for its potential to promote the well being and socio-economic development of forest communities in the Amazon basin.

The Committee sought and got clarifications and assurances on the rights of forest dwellers to permanent access and use of areas included in the project. The Brazilian delegation ensured that forest dwellers in the national forest of Tapajos are granted the right to collect non-wood products on a sustainable basis in the area, which is a property of the national government. The Brazilian government further clarified that the riverside population that dwell in the second project area usually holds land titles and have a right to extract non-wood products.

The Committee, however, stressed that the project proposal should be amended to clearly demonstrate how the project benefits would accrue to the forest communities and to provide mechanisms for assuring their effective participation in the implementation of project activities and decision making process.

Pointing out that market research and marketing promotion are likely to be more effective than research in production and processing for promoting the development of local communities living from non-wood products, the Committee recommended that the former be given priority when finalizing the definition of the research activities. The Committee further stressed that the project methodology should be detailed to introduce quantitative aspects and ensure that the harvesting of non-wood products will be sustainable.

Finally, the Committee called for detailing of the project inputs to be contributed by Brazil, and also for inclusion of clarification on the role of the project coordinator in the new draft as requested by the Panel.

The Committee decided to recommend for approval a revised project draft (PD 143/91 Rev.2 (I)) which appropriately accounts for the recommendations and amendments requested during the Session.

- (10) PD 145/91 Rev.1 (I): Research, Training and Demonstration  
Activities in the Use of Eucalyptus  
(Government of Ecuador)

As was the case in the Expert Panel, the Committee was divided on the immediate relevance of the project to the ITTO Action Plan, though it recognized that the objectives of the project are relevant to assist and encourage indigenous populations to manage and utilize existing eucalyptus plantations in the province of Loja, Ecuador.

The project design, however, which emphasizes research activities was not seen as appropriate to attain the stated objectives; rather, the Committee felt that the project should be redesigned focussing more on training, extension and demonstration activities.

Noting that eucalyptus species have been extensively studied outside Ecuador, the Committee recommended that the project reformulation be preceded by a comprehensive review undertaken by the Government of Ecuador of literature and other information available on the plantation processing, utilization and marketing of Eucalyptus globulus, which may be relevant to the plantations of Loja.

Considering the importance of assisting and enhancing local communities' capability for managing their plantations and maintaining their interest in reforestation development, the Committee decided to approve a pre-project study to assist a reassessment of the problems and the formulation of an appropriately designed project. Approved terms of reference for the pre-project study are listed in Appendix II.

- (11) PD 146/91 Rev.1 (I) Establishment of a National Timber Furniture Design Center  
(Government of Ecuador)

The Committee in principle supported the project concept, though a proposal to develop a regional Center would have more appeal than a national one. Some Members pointed out, however, that the establishment of a regional Center from inception is sometimes met with operational difficulties and increasing financial supporting difficulties. The Center's viability over the long term was the main Committee concern given the planned low level of support from the private sector throughout the project duration.

The Committee also recommended that the pre-project investigated how comparative advantages in Mexico and Brazil might affect the viability of Ecuador's entry to this industry.

Given the project potential to benefit a large number of small timber and furniture industries (3000), the Committee decided to implement a pre-project study to investigate feasibility and the potential for self-sufficiency of such a Center if established, considering also the option of an expanded Center with regional scope and the provision of furniture design assistance through overseas training of Ecuadorians in established Centers. Approved terms of reference for the pre-project study are listed in Appendix III.

- (12) PD 150/91 Rev.1 (I): Identification and Nomenclature of Commercial Tropical Timber Species in the Andean Sub-Region  
(Government of Peru)

The Committee supported the Expert Panel's recognition of the relevance of the project to ITTO objectives and Action Plan. The Committee further commended the project for its sub-regional scope and

coverage, and for its potential to integrate wood researchers and forestry officers in the Andean sub-region.

Noting the project's potential to assist proper identification and control of species being exported, the Committee recommended that the project activities be expanded to include training of Government officers in charge of monitoring timber exports, such as those from forest departments, customs and port services. The propose of such training would be to help stem transfer pricing and other malpractices associated with the trade which some producing countries suffer.

The Committee pointed out that loggers, traders and end-users are also part of the target group who will benefit from the manual for dendrological and anatomical identification of species. End-use information should therefore be included in the manual to enhance its usefulness.

The Committee stressed again that sustainability of supply shall be taken into account in the selection of species for the manual and implementation of other project activities by including data on silvicultural, regeneration and production regime elements.

- (13) PD 151/91 Rev.1 (I):      Selection of Lesser-Known Tropical Timber  
   Species of the Andean Sub-Region for  
   Specific End-Uses  
   (Government of Peru)

The Committee supported the view of the Panel on the value of the project and the proposed work as part of the ITTO program to promote the market and utilization of lesser-known species. Recalling that the project will collect and format information for inclusion in the data bank and computer system designed under ITTO project PD 18/87 Rev.1 (I), and the Committee's decision to include information on sustainability of supply, the Committee recommended that information to be collected on species studied under this project should as far as possible include data on silvicultural, regeneration and production regime elements. The committee further stressed that rare or endangered species should not be included in the species selected for this project.

The Committee decided to recommend for approval a revised project proposal (PD 151/91 Rev.2 (I)) drafted during the Session and taking account of the above concerns and recommendations.

- (14) PD 152/91 Rev.1 (I):      Harmonization of Technical Tropical Timber  
   Standards in the Andean Sub-region  
   (Government of Peru)

The Committee endorsed the Expert Panel's view on the value of this project to the ITTO objectives and Action Plan. The Committee further commended the revised proposal for its emphasis on practical approaches to promote and improve effective use of technical standards and for its reliance on training activities.

Recalling the findings of a previous ITTO pre-project study on harmonization of specifications on tropical timber products, and also ATTC's report on difficulties on achieving practical uses of regional grading rules and standards officially adopted by Asian countries, the Committee endorsed the Panel's view that the project should not at this point formulate new technical standards for use in the Andean region.

The Committee recommended that the project activities and future work on standards to be implemented should include consultations with the Panamerican Committee on Technical Standards and the International Standards Organization.

- (15) 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)

The Committee endorsed the Expert Panel's view that this feasibility study is appropriate and commendable to ITTO and fits in with the Action Plan and Work Program of ITTO.

The Committee recommended that to the extent possible the pre-project study should outline potential sponsorship options, for funding the Center, including, inter alia, the Governments and the private sector of the Andean countries.

Considering the Center's sub-regional scope and the need for extensive preliminary work related to collection and assessment of information on the 5 Andean countries, the Committee indicated that the scheduled 5-month duration with only two weeks for preparing the final report may be too short.

Taking note of present difficulties in enlisting the industry's financial support to the feasibility study, the Committee expressed its trust that the private sector will be able to play a more positive role in the eventual establishment of the Center. The Committee agreed that the Andean Forestry Chamber, if established, could be in a position to play a major role in the realization and operation of this Center.

The consultancy work under the feasibility study should also include consultations with the environmental NGOs and local communities likely to be involved in management of the Andean forests and/or manufacturing of tropical timber products.

The study should also comment whether any of the functions anticipated for the Center could be covered by existing national agencies.

- (16) PD 154/91 Rev.1 (I): Integrated Development of Timber and Timber Product Marketing Structure in Ecuador  
(Government of Ecuador)

The Committee endorsed the Panel's recognition of this project value to improve the market of Ecuadorian tropical timber products. The

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Committee however pointed out that the project should limit its scope to the study of the consumption, with emphasis on the current timber trade and marketing structure regulating the commercialization of Ecuadorian tropical timber products. The project should preferably consider the trade of the sustainable part of the supply, developing policy elements with a view to improve marketing and commercialization of sustainably produced tropical timber products from Ecuador. In this connection, the Committee stressed that activities should be reformulated so that the studies on trade structure, markets, marketing enhancing, policy assessments and planning do include sustainability elements.

The Committee sought and got clarification on the difficulties the Andean Development Corporation (CAF) would have to finance this project. The delegation of Ecuador explained that CAF had no appropriate financing line basic studies such as the ones involved in this project, but is in a position to consider financing follow-up activities designed to enhance performance of individual private companies involved in the marketing and trade of Ecuadorian tropical timber products.

The Committee recommended that information to be collected on commercial species surveyed under this project should as far as possible include data on silvicultural, regeneration and production regime elements.

The Committee decided to recommend for approval a revised project proposal (PD 154/91 Rev.2 (I)) drafted during the Session taking account of the above concerns and recommendations.

- (17) PD 155/91 Rev.1 (I): Sustained Forest Industry Development in the Andean Group Countries  
(Government of Ecuador)

Similarly to the Panel of Experts, the Committee saw considerable merit in the project and felt that it was compatible with the ITTA objectives and priorities of the ITTO Action Plan.

The Committee felt that the project document should include clarification on activities and outputs to clearly demonstrate that the sustained forest industry development discussed and promoted in the Seminar integrates also the ecological and environmental elements of sustainability. Along the same line, the Committee recommended participation of conservation NGOs to enhance both the Seminar success prospects and to widen the project beneficiaries.

The Committee further recommended that information on species collected and reviewed under this project should as far as possible include data on silvicultural, regeneration and production regime elements.

The Committee requested that the project relationship with TFAP be further elaborated.

The Committee decided to recommend for approval a revised proposal (PD 155/91 Rev.2 (I)) drafted during the Session taking account of the above concerns and recommendations.

- (18) PD 160/91 Rev.1 (I): International Workshop on Improved Utilization of Timber Resources in Southeast Asia  
(Government of Malaysia)

The Committee recommended the approval of a revised draft proposal (PD 160/91 Rev.2 (I)) prepared during the Session and reducing ITTO financial contribution by cost-sharing with IUFRO, workshop participants and other donors. At the Committee's recommendation the redrafted approved project document also defines the workshop venue (Malaysia) and main implementing agency (Forest Research Institute of Malaysia).

The Committee also recommended that the project budget be increased by US\$ 5,000 to support ITTO monitoring and evaluation costs.

- (19) PD 163/91 Rev.1 (M,I): Technical Assistance in: (a) Marketing Information Set-Up and Techno-Economics  
(b) Wood Processing Technology  
(Government of Malaysia)

The Committee endorsed the Expert Panel's recognition of the value of the project to ITTO objectives and its Action Plan. The Committee agreed on the project merit and importance to assist the public and private sector of Sabah, Malaysia, while pointing out that requested technical assistance inputs should be reconsidered in view of possibilities of partial reliance on Peninsular Malaysia, particularly on MTIB. As consultancy services represent the major project input, the Committee recommended further description of terms of reference for the proposed work and the presentation of a detailed work plan.

The Committee decided to recommend that the project be revised with the assistance of the ITTO Secretariat.

- PCI(VIII)/7 Utilization, Market Research, International Trade and Promotion of Non-Conventional Tropical Timber Species for Different Industrial Uses  
(Project Idea submitted by Government of Bolivia)

The Committee noted that the proposed project idea meets with the ITTO objectives and priorities of Action Plan and encouraged the Bolivian Government to fully develop the idea into a project proposal. The Committee also recommended that the design of working proposals to expand the utilization of tropical timbers and to create markets and to encourage international marketing of these tropical hardwood shall consider the need of sustainable management practices.

- PCI(VIII)/8 Providing Consultancy Services to the Timber Industry on Production Technology and Industrial Organization  
(Project Idea submitted by Government of Bolivia)

The Committee noted that the proposed project idea meets with the ITTO objectives and priorities of Action Plan and encouraged the Bolivian Government to fully develop the idea into a project proposal. The Committee also recommended that the design of working proposals to increase efficiency, productivity and product quality of the timber industry.

## APPENDIX II

Pre-Project Study: The Industrial Utilization and Marketing of Eucalyptus Plantations of the Province of Loja, Ecuador

### Terms of Reference:

1. Assess the potential options and feasibility of industrial use of small logs from Eucalyptus plantations in Loja. The assessment shall take into account:
  - (i) existing experiences and knowledge in Eucalyptus processing and utilization;
  - (ii) determination of production capability Loja;
  - (iii) sites for pilot or demonstration processing units;
  - (iv) plantation management systems and logging methods;
  - (v) markets and marketing possibilities; and
  - (vi) community organization and training requirements.
2. Prepare a proposal to assist local indigenous Loja communities to manage and utilize their Eucalyptus plantations. Such a proposal shall be designed centered on training, extension and demonstration activities.

<u>Pre-Project Cost:</u>	US\$
International consultancy: 2 man/months (includes honorarium, travel and DSA costs)	16,000
National consultants: 4 man/months	16,000
Study tour to Brazil, Chile and New Zealand (2 Ecuadorian)	12,000
Honorarium and other costs during the study tour	6,000
Local travel	2,000
Printing reports and miscellaneous	5,000
TOTAL .....	57,000 =====

### Implementing Agency

- Subsecretariat for Forestry and Renewable Natural Resources,  
Ministry of Agriculture and Livestock, Ecuador



### APPENDIX III

#### Pre-Project Study: Feasibility of a Promotion Center for Furniture Manufacturing in Ecuador

Based on the recommendations of the Panel of Experts on project evaluation and the subsequent discussion in the informal Working Group for Evaluation of Project the following Pre-Project is proposed:

Feasibility of a "Promotion Center for Furniture Manufacturing in Ecuador".

Budget requirement US\$ 30,000

Implementing Agency ANEPIM

- Objectives:
- a: To study the feasibility of the Center proposed in project proposal 146/91 Rev.1 with special emphasis on the options for financing of the Center after the termination of the proposed project.
  - b: To carry out the pre-operational activities which are described under item 4 of the project document.

The pre-project study shall also investigate the potential for self-sufficiency of such a Center if established, considering also the option of an expanded Center with regional scope and the provision of furniture design assistance through overseas training of Ecuadorians in established Centers. The study should also taking into account the Center's viability over the long term, a main Committee concern given the planned low level of support from the private sector throughout the duration of the project proposed to the Committee.

- c: Assess how comparative advantages in Mexico and Brazil might affect the viability of Ecuador's entry to this industry.

- Output:
- a: A report which may include a complete revised version of the project document and/or any other proposal on activities which may be considered.
  - b: A report on the result of the pre-operational study.

Duration: 5 months

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APPENDIX IV

FELLOWSHIPS AND GRANTS APPROVED

APPLICATION NUMBER	NAME	SUBJECT
N12/91	DONKOR, Ben Nathan	Survey of Modern Saw-Maintenance Machines and Study of Saw-Fault Detection and Correction
N26/91	GUO, Yanming	Technology of Drying Quality Control and Efficient Utilization of Tropical Timber
N46/91	JESUS, Maria Aparecida	Collection, Identification, and Cataloguing of Lignocellulotic Hymenomycetes of the Amazon in Relation to Natural Durability of Certain Tree Species
N45/91	MALAVASI, Ubirajara Contro	Use of Seed Radiography for Seed Quality Control
N21/91	MINO, Roque Antonio	Study of Associated Institutions in the Field of Wood for the Promotion and Marketing of Wood-Based Industrial Products
N41/91	MOHD. SHARIF, Amir Husni	Preparation and Presentation of Paper to Xth World Forestry Congress entitled: "Basal Area Composition of Two Forest Reserves and its Relationship to Site Fertility and Forest Management"
N44/91	MULLER, Suzana Simao	Study of the Effect of Current Brazilian Forest Policy on the Role of the Country as a Supplier of Forest Products
NN34/91	ORBE, Jorge Velalcazar	Training in Wood Preservation, Wood Drying, Forest Protection, and Silvicultural Practices at Selected Brazilian Institutions
N5/91	ROJO, Justo P.	Revision of the Reference Book "Lexicon of Philippine Trees" (Publ. 1963 by Felipe M. Salvosa) based on Data Collected from Selected Arboreta, Herbaria, Botanic Gardens and Laboratories

N37/91	VALLEJO, Alvaro	Training Programme at Selected Brazilian Institutions in the Management and Genetic Improvement of Tropical Tree Species for Increased Export Trade in Plywood and Composite Panels
N7A/91	ZENID, Geraldo Jose	Training of Export Sawn Timber Graders in the Rules of the National Hardwood Association (NHLA)
N27/91	ZHOU, Jizhong	Study Tour of Japan to Learn Advanced Forestry Library Management for Development of China's Tropical Forestry Library Systems

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